

FINANCIALTIMES

Morgan Stanley gears up for a global battle, Page 12

EUROPE'S BUSINESS NEWSPAPER

Monday January 27 1986 ·

D 8523 B

Lebanese PM 'no' to Cabinet buys US meeting

President Amin Gemayel called a JARDINE MATHESON Holdings, meeting of Lebenon's divided Cabinet for an attempt to avert another ontbreak of civil war, but Prime surance group, in e USSSI 9m deal Minister Rashid Karami declared he would not attend. Karami said he would boycott the brokars. Page 18

meeting because Gemayel wanted the Cabinet to refer a peace plan back to the Parliament Earlier sto-tention focused on sterling last

Yemen rescues ban

British officials in South Yemen said the authorities have forbidden any more evacuations by sea, after the rescue of more than 6,000 people from battle zones by a fleet of ships including the royal yacht Britannia.

Resignation refused

Tan Koon Swan, Malaysian busi-nessman and politician, had his resignation as president of his politi-cal party, the Malaysian Chinese Association, turned down. Last week Tan was charged in a Singapore court with a number of criminal business offences. Page 2, Lex,

Peres goes to Bonn

Israeli Prime Minister Shimon Peres left for Bonn on a four-day visit to West Germany that will include talks on the Middle East and a visit to a concentration camp site. Page 2

New Ambassador

Mr Hadas has been Israel's unofficial diplomatic representative to any possible distortions until after Spain for the last five years.

Minister dropped

replaced Internal Minister Vitaly tem, defines the cross rates from Fedorchuk, former head of the which no currency (except the lira) KGB and recently responsible for may move more than 24 per cent. Page 2

Shevardnadze call

Soviet Foreign Minister Eduard Shevardnadze called on the United States to stop testing nuclear weapons as a first step towards their

Bombay dropped

The Mayor of Bombay said the city would benceforth be known as Mumbai, although the Indian Gov-ernment in New Delhi opposed the beld an important ban on a Dutch-

Checkpoint facelift

Checkpoint Charlie, the famous border crossing hetween East and West Germany, was to reopen today as a vast complex of offices including a 10-lane traffic facility.

Irish arms seized

thought to have been hidden by the IRA in three separate locations, and arrested five people. Page 14 Prison hunger strike

Irish police seized caches of arms

Prisoners in Barcelona's Modelo

jail started a bunger strike and demanded pardons after 40 inmates mutilated themselves as part of the same campaign.

Portuguese vote

Votes were being counted in Portugal's presidential election after a good attendance at the polls in sunny weather. Page 2

Peace raily injuries

Three people were hurt in Wind-hoek, Namibia, when police used teargas and whips to end a rally marking the United Nations Year of

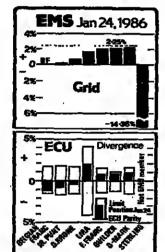
Frost hits reindeer

Frost which ruined their staple diet of moss caused the deaths of 1,300 reindeer in Siberia, according to So-

. World news Business summary **Jardine** Matheson insurer

intended to consolidate the group's

tention focused on sterling last week and its sharp fall on weaker oil prices. The pound has fallen



around 16 per cent against the D-Mark in relation to its fixed central rate. Although not participating in the exchange rate mechanism, sterling is used in Ecu calculations. Eveo though the US dollar was

slightly weaker overall, weaker currencies were not under any intense The Israeli Cabinet approved the appointment of Shmuel Hadas as Israel's first ambassador to Spain, its currency through intervention. its currency through intervention. Central banks are likely to contain the French general election.

The chart shows the two constraints on European Monetary System ex-change rates. The upper grid, based Soviet leader Mikhail Gorbachev on the weakest currency in the sysenforcing an anti-alcohol campaign. The lower chart gives each currency's divergence from its "central rate" against the European Curren-cy Unit (ECU), itself a basket of Eu-

> TOKYO share prices in Saturday's session were boosted by the yen's rise against the dollar and the Nikkei average rose 49.17 to 12,953.37. Leading prices, Page 29

EEC import controls on dried grapes are to be challenged in the European Court of Justice. Page 22

PRESIDENT Ronald Reagan upmade fibre in a move that might worsen relations between the US and the European Community.

Page 3 OMAN has devalued its currency, the rial, by 10.2 per cent in an at-tempt to control a budget deficit swollen by the fall in oil prices.

CRÉDIT SUISSE, third largest Swiss hank, will shortly streamline and extend its operations in West Germany where it has taken over two credit institutions in the past

year. Page 15 COMPAGNIE Financiere de Suez French state-owned financial and industrial group, will announce to-day a record FFr 1.8bn (\$240m) equity-raising and stock-conversion package to prepare the way for pos-sible denationalisation after the

March general elections. Page 14 TEXACO, US oil group, increased net income in 1985 by 15 per cent to \$1.23bn, but this did not include provision for the \$11.1hn damages award against the company for its 1984 battle for Getty Oil. As a result its 1985 accounts might have to he qualified. Page 18

YARROW. UK engineering group fighting a £16.5m (\$23m) takeover hid from Weir group, forecast a 96 per cent rise in annual pre-tax prof-its to at least £3m and promised a 17 per cent dividend increase

CLAYTON DEWANDRE, UK manufacturer of brake systems in the UK, is seeking radical pay cuts and changes to employment conditions, to save jobs. Page 22

Thatcher pledges full account of Westland affair

BY PETER RIDDELL, POLITICAL EDITOR, IN LONDON

ternoon's emergency debate in the with, the decision to make S House of Commons when she faces trick's letter publicly known. a crucial test of her premiership.

her Commons statement last

upport from her own backbenches support from her own beautiful strongs. The same admitted that at times "truth is stranger than fiction." She said she still wanted togo on to a third term as Prime What will matter in the longer Minister. term is whether Mrs Thatcher can begin to reassert her authority and

provide convincing answers to ques-tions about how much she knew of tions about how much she knew of the decision of Mr Brittan and her Thatcher's statement on Thursday own Downing Street staff on January 6 to leak part of a letter from Sir Patrick Mayhew, the Solicitor-General, to Mr Michael Heseltine, the then Defence Secretary. The effect of the leak was to dis-

of the World, in defiance of the

national newspapers will now be edited and published, will stimulate

managements to cut production

The company yesterday claimed to have printed and distributed 3m

of the normal 5m print run of the

News of the World - 750,000 from its

new printing plant in Glasgow -and 1.2m copies of The Sunday Times, 150,000 down on a normal

main print unions.

and helicopter affair during this af- not consulted about, but agreed with, the decision to make Sir Pa-

Interviewed yesterday on an in-At stake may be her survival as dependent television channel, Mrs that we had one member of the Prime Minister as she seeks to remove the doubts about both her in- of questions about her statement tegrity and competence left after and she intended to reply in full Mr John Smith, the Labour her Commons statement last and precise detail. She said that in ty's trade and industry spokess

Mr Douglas Hurd, Home Secre-tary and widely tipped as a possible successor to Mrs Thatcher, acwas in some respects incomplete. However, interviewed on another independent television channel pronme, he said he expected her statement to be amplified today.

Mr Hurd, like other ministers incredit Mr Heseltine in his support terviewed yesterday, sought to for the European consortium which has been seeking to rescue the trou-

Murdoch papers printed

all News International (NI) titles

The company last night seemed likely to publish its daily titles, The

Son and The Times, this morning.

groups are poised to propose big re-ductions in manning levels and at-

tempt to negotiate new technology

United Newspapers, the new

Three other national newspaper

successful occupation of a NI said last night that it would the provincial publisher and print

in defiance of unions

BY JOHN LLOYD, HELEN HAGUE AND RAYMOND SNODDY IN LONDON

seek damages.

MRS MARGARET Thatcher, the bled helicopter company against of Cabinet collective responsibility.

MRS MARGARET Thatcher, the bled helicopter company against of Cabinet collective responsibility. Thatcher repeatedly laid the that of the following of the West of Cabinet collective responsibility.

Mrs Thatcher told MPs she was blame on Mr Heseltine and Sald-Mrs Thatcher told MPs she was blame on Mr Heseltine and Sald-Mrs Thatcher told MPs she was blame on Mr Heseltine and Sald-Mrs Thatcher told MPs she was blame on Mr Heseltine and Sald-Mrs Thatcher told MPs she was blame on Mr Heseltine and Sald-Mrs Thatcher told MPs she was blame on the sald-Mrs Thatcher told MPs she was blame told MPs she was blame on the sald-Mrs Thatcher told MPs she was of Cabinet collective responsibility.

Mrs Thatcher repeatedly laid the
hlame on Mr Heseltine and said that following his resignation "Cabi-net responsibility has been re-stored." She argued that "Westland is a small thing and had it not been that we had one member of the

Mr John Smith, the Labour Par-Thursday. giving general answers last Thurssaid that the Prime Minister's in-day she had not wanted to be tegrity and competence were at is-support from her own backbenches misleading. dare say she will try to brazen it out, but I do believe the damage will

Dr David Owen, the Social Democratic Party (SDP) leader, said the affair was a "Watergate-type scan-

The impact of the affair was shown in a Harris Research Centre survey in a national Sunday newspaper. Three-quarters of the sample thought Mrs Thatcher had handled the Westland affair badly. The poll put the Labour Party in the lead at 36 per cent with the Tories at 31 per

Details, Page 4; Editorial comment, Page 12

Brussels in secret plan to axe food mountains

By two Dawnay in Brussels

EEC farmers face a freeze on guaranteed product prices and a 3 per cent tax on cereals production if confidential draft proposals for the 1986-67 marketing year are adopted by the European Commission. Senior political aides to the 17 Commissioners were last night hammering out the final version of the plan which also envisages an

Ecu 3bn (\$2.48bn) three-year scheme for disposing of food moun-tains in Community stores. It is these surpluses that will leave the Commissioners little room for manoeuvre on the propos-als when they debate on Wednesday a third year of price freezes and the new output restraints.

According to a secret report drawn up by Mr Frans Andriessen and Mr Henning Christophersen, the Farm and Finance Commissioners, the unsold food in store is now Ecu 10.5bn, or 10 times the value of

stocks four years ago. The cost of storage and destocke ing has also been revised upwards by Ecu 1bn to Ecu 4.4bn this year, or nearly a quarter of the entire budget allocation for agriculture. For some products these expenses are almost equal to the guaranteed prices paid to farmers when the food was bought in, while in the case of tobacco losses incurred at

sale after a year of storage are greater than the value of the tobac-The proposals now onder discussion advocate a price freeze for most products, with marginal price cuts for some varieties of fruit and vegetables, new incentives for milk to be turned to powder as opposed to butter and the gradual phasing out of support for the beef regime. But the toughest changes in the package centre on new restrictions on cereals output. These plans in-

MR RUPERT MURDOCH, chairman of News International, has succeeded in printing and partly distribution two of his UK newsparents, will be print union Sogat '82, who said distribution two of his UK newsparents, The Sunday Times and News of the World, in defiance of the · A co-responsibility tax, probably of 3 per cent, on each farmer producing more than 25 tonnes. • Stricter quality controls that Sogat has blacked the handling of production staff by nearly half. Mr threaten a 5 per cent reduction in Frank Rogers, chairman of Emap. guaranteed prices for lower grade

new plant in Wapping, east London, take out injunctions today against er, has been appointed deputy print union members who refused chairman with a key role in the to print copies of the News of the Phasing out of a superior price differential for durum wheat.

■ Keeping community stores closed to sales until April 1 after edited and published, will stimulate World at the Express Newspapers and published, will stimulate world at the Express Newspapers of the Financial Times is putting rapid efforts by other Fleet Street plant in Manchester. It also plans to each harvest to encourage sales to move to a new printing plant on the outskirts of London, with new manthe free market. The most heated debate within

the commission and in the Farm Ministers' Council, is likely to be on the level of the new cereals tax. Ac-EEC anti-terrorist moves; farm

trade, Page 2

Continued on Page 14 | closely by the markets, anxious to

Japanese may cut official discount rate

BY JUREK MARTIN IN TOKYO

rate, perhaps as early as this week. after the steep rise on Friday in the value of the yen against the dollar. Much apparently depends on whether the yen holds its higher level in the next few trading days. On Friday the yen closed in New York at Y195.75 to the dollar, a gain of Y6 on the day and a continuation

of the earlier rally in Tokyo when it broke through the Y200 level for the first time in nearly seven years. That advance had been triggered when Mr Noboru Takeshita, the Fi-nance Minister, had been quoted as

saying that a rate of Y190 to the dolar would be acceptable. Until now the central bank bas taken the view that it would be imprudent to cut the discount rate, which has remained at 5 per cent since October 1983, before the US

Federal Reserve reduced its rates. Mr Takeshita pushed hard for a concerted reduction of international interest rates at the Group of Five finance ministers' meeting in London a week ago. However, with UK interest rates rising in defence of sterling and US rates showing firm-Mr Takeshita had set much store,

is understood to have told asso-

THE BANK of Japan appears banks should act unilaterally. His poised to cut the official discount public comments on Friday certainseemed designed to nudge the

Bank of Japan into action.

A cut in the Japanese discoun rate would also be portrayed by the Government as part of the policy to help to ensure that Japanese economic growth does not falter. The Government's official forecast is for 4 per cent real growth in the fiscal year starting in April, but most private forecasts are much lower, ranging from 1% to 3% per cent.

Japan's major trading partners have been urging it to play a grea-ter role in maintaining tolerable levels of international expansion. Japanese interest rates are now back at the level of late October, before the Bank of Japan administered a sharp jolt to the markets by guiding sbort-term rates steeply

Despite the subsequent fall in interest rates the yen retained its strength against the dollar, bovering mostly in the Y200 to Y204 range for the last several weeks.

The long-standing conventional

view, still by no means entirely abandoned, is that interest rate difer trends, that initiative, by which ferentials with the US are an important factor in determining the yen's ailed. value. Heavy capital outflow from Japan to the US, attracted by high-

Continued on Page 14

Crucial week ahead for £ and UK rates

BY ROBIN PAULEY IN LONDON

THE money markets open today with attention focused on the Middle East, Vienna and the UK House of Commons as the British Govern-

currencies, and a collapse in oil prices which have tumbled by 30 February.

per cent this year.

Although the committee might

per cent this year. this week. Prime Minister Margaret Thatcher's statement during today's emergency debate on the Westland affair will be watched see whether she can assert ber authority and bring the political crisis

Officials of the Organisation of ment begins a week which will be Petroleum Exporting Countries crucial to its central economic (Opec), meanwhile, are to hold their first preliminary meeting today in The Government has so far re- Vienna in advance of the special sisted strongly all the market pres- committee meeting of five Opec oil sures for a further increase in interministers there next Monday to set est rates despite a slide in the value a new output target for the organ of sterling, which last week lost sation. Reports from Kuwait yesternearly 5 per cent of its value day suggested that an extraordiagainst a basket of international nary meeting of the full Opec council might be called before the end of

There are several important keys recommend an Opec market share to whether UK banks' base rates of 18m barrels a day (b/d), similar can be held at 12% per cent during to current levels, there were signs in the Middle East at the weekend

Continued on Page 14 Lombard, Paga 13; currencies,

Uganda rebels plan broad government

BY OUR FOREIGN STAFF

THE REBEL National Resistance Army (NRA) of Uganda said yester-day that it regarded itself as the government of the country, having driven the last of General Tito Okello's troops out of Kampala.

Mr Yoweri Museveni, the leader of the guerrillas, speaking on Radio Kampala, said he had dissolved Gen Okello's ruling Military Coun-cil and that be would soon set up e broad-based government after consultation with all parties. In the meantime an interim ad-

ministration that has been running the NRA controlled area of southwould administer the Kampala

troops of committing genocide and on the main road to Kenya and is said the culprits would be punished. the site of the Owen Falls dam, He called on local residents to form Uganda's only source of electricity. village committees to ensure security and urged retreating troops to

suspended. Mr Museveni has been fighting a bush war for five years.

His announcement followed two days of heavy fighting in Kampala. Diplomats in the city reported by radio that the corpses of soldiers littered the streets early yesterday when jubilant Ugandans emerged from their homes for the first time since the fighting started last

Gen Okello, who ousted Dr Milton Obote in a coup last July, was reported to have visited a post near the Kenyan border at the weekend before returning to Jinja, 50 miles west Uganda since last October east of Kampala, where his troops were said to be regrouping.

have a reputation for discipline and 30,000-man government army had accused government fled in disarray. Jinja is a key town

mrea. Diplomats, however, confirmed Mr Museveni, whose soldiers other reports thet soldiers in the

The British Foreign Office, which ty and urged retreating troops to
has been warning the 700 strong
British community over the BBC
The guerrilla leader, a former deWorld Service to remain indoors or fence minister in the coalition Gov- leave for Kenya, confirmed that Enernment that succeeded dictator Idi tebbe airport, 20 miles from Kam-Amin's regime, also announced that pala, was in NRA hands after gov-all foreign exchange dealings were ernment troops surrendered.

Morgan Stanley to go public

ning levels to be negotiated through

voluntary redundancies and non-re

placement with the existing print

unions. The plans are to go to the

board of Pearson, the FT parent

Details, Page 6

company, in due course.

By Terry Dodsworth in New York MORGAN STANLEY, one of the oldest and most renowned Wall Street investment banks, bas coofirmed plans to abandon its private status in a move aimed at attracting outside capital to support its inter-national growth. The new stock could begin trading as early as

After a vote on the share issue by the group of 202 executives that owns the company, Morgan said that the flotation would be an important step in its plans for expansion in an era of global securities markets. "It will raise additional permanent capital and, importantly, give us access in the years

ahead to the international capital and financing markets," it said.

Although Morgan gave no further details, information leaked from employee meetings indicate that the public offering will put a valuation of about 51bn on the firm.

Under the new issue rules, the above will have to be independent. shares will have to be independently priced, but Morgan would apparently like to raise about \$200m for 20 per cent of the business, leaving the balance of the shares, worth around \$800m, in the hands of the current partners. Set for global battle, Page 12

Expand the scope of your DM investments

Industriekreditbank AG - Deutsche Industriebank is a unique West German private commercial bank that performs functions often carried out by public sector entities in other countries. Its main shareholders are prominent institutions in the German financial and business establishment, and the supervisory board includes a representative of the Federal Government

The Bank specializes in providing mortgage-backed medium and long-term credit facilities up to 10 years and longer at fixed interest rates - especially to medium-sized firms for fixed-asset investment and export finance. Its clientele includes more than 6,000 corporate borrowers.

IKB funds its lending activities to a significant degree by issuing its own long and medium-term bonds. These bonds - hacked by the solid standing of the Bank - are highly attractive instruments for institutional investors seeking currency diversification in the DM.

For complete information, contact IKB today.

Industriekredithank AG **Deutsche Industriebank**



Karl-Theodor-Str. 6 · D-4000 Düsseldorf · West Germany · Tel. 8221-274 · Tx. 8582617 · Düsseldorf · Berlin · Frankfurt Hamburg - Munich - Stuttgart - IKB Luxembourg Branch - 6, Avenue Marie-Thérèse - Telephone 4776-41-1 - Telex 60263

CONTENTS -

Companies 16, 18 World Trade 3 Britain 4, 6

Letiers....

Editorial comment: British Technology: West picks up

Management: automation in Lombard; the great oil and Wall Street: Morgan Stanley Lex: the troubles of Tan

politics; share ownership. 12 challenge from Japan 28 Foreign Affairs: Denmark Unlisted Securities Market:

asked Mr Rafaello Teti, the member of the Euro-consortium. Agusta president, to write a procould treat Agusta in such a test letter to Aerospatiale. way.

from the Spanish Government.

minnte.

There is speculation in Italy that the European consortium, which is proposing a rescue package for Westlond of the UK. could be weakened as a result of rom the Spanish Government. the row. Mr Sandri was npset He is understood to have that Aerospatiale, a fellow

Portuguese cast their votes for president

Gorbachev ousts

The US is reportedly receiving vital information from a high ranking KGB official who fied the Soviet Union last year, Stewart Fleming reports from Washington, But in an effort to

But in an effort to prevent a recurrence of

prevent a recurrence or the embarrassment which surrounded the decision by Mr Vitaly Yurchenko, the defector who returned to Moscow last year alleging he had been held in the US against his will, government officials are keeping the name

officials are keeping the name and whereabouts of the KGB official secret.

Reports in the US press

have suggested that the official escaped by helicopter from East Germany last

spring and is now living in the Midwest with a new identity. The Central Intelligence Agency has refused to confirm the reported defection.

autonomous republic named after the Chechen and Ingush

peoples, and later when Mr Vlasov was party chief in the

● The Soviet economy grew

3.1 per cent in 1985, rebound-ing from a slow start to improve

on 1984's growth rate but finishing slightly below official targets for last year.

Published economic figures

Don River port of Rostov.

head of

BY OUR MOSCOW CORRESPONDENT

THE Soviat Union's Minister of

Internal Affairs, responsible for enforcing the current anti-

alcohol drive and overseeing the sizeable force of uniformed

police, has been replaced by o Communist Party official with close regional ties with Mr Mikhail Gorbachev.

Mr Vitaly Fedorchuk, 67, took

over the notoriously corrupt Interior Ministry in December 1982, just after Mr Yuri Andro-pov, the former KGB chief.

became Communist Party leader and vowed to crack down on hribery and other official

Mr Fedorchuk had previously

headed the KGB for six months and hefore that was KGB chief in the Ukraine, overseeing repression of some of the

country's most vigorous disssi-dents.

The terse announcement of Mr Fedorchuk's replacement by Mr Alexander Vlasov. 54. said only that the ex-minister had

been transferred to another

post. Some Western diplomats said

they had heard unconfirmed rumonrs that Mr Fedorebuk

would take over the Communist Party in the Ukraine from Mr Vladimir Shcherhitsky. Mr Shcherbitsky, 67, had close ties

with the now-maligned Leonid Brezhnev, meaning that he may

be retired from the Ukranian party job, which he has held since 1972, and from the ruling Politburo, of which he bas been

Little is known about Mr Vlasov, who is a full member of the Communist Party's in-fluential Central Committee.

was party chief in the Stavropol region of southern Russia when

their election campaign were partially patched up over the weekend when Mr Raymond

Barre, the former Prime Minis-ter, endorsed the Parliamentary right's election manifesto as "sober and good."

Mr Barre's declaration came after a week in which opposi-tion leaders expressed increas-

Barre backs parliamentary

right's election manifesto

THE RIFTS that have been damper priority it gives to tax cuts aging the French opposition in as opposed to reducing the

budget deficit, ..

making the running.

With seven weeks to go to

The belligerency of their

posals a platform of revenge

Government officials claim

disorder.

a member since 1971.

key ministry

By Diana Smith In Lisbon



ahead in the polls

LARGE CROWDS of Portuguese voters turned out in fine weather yesterday to cast their bailots in the third presidential election since the advent of democracy in 1974.

The end of the mandaie of General Antonio Ramalho Eanes, who has served two terms since first being elected in 1976, closes a long chapter of 60 years of military patronage of Portuguese politics.
There were only civilian candidates in yesterday's election, although Mr Francisco Salgado Zenha, a 62-year-old lawyer who recently resigned from the Socialist Party, ran under the sponsorship of General Eanes and his wife.

There were signs that the turnout was well above that of last October's snap general election, when abstentions reached nearly 28 per cent

showed falling oil productions is the main headache for economic planners going into 1988. Oil production including gas condensate, fell to 595m ma may have risen as a restormes, well he'ry a revised sult of his regional ties to Mr Gorhachev. The Soviet leader was party chief in the Common state of some 630m tounes and less than 1984's 612m tounes and Polls late in the campaign indicated that the conservative candidate, Prof Diogo Freitas do Amaral, the 44-year-old law The poor performance has been reflected in a series of professor and former president of the Christian Democrat Party, could expect the backing of 40 to 45 per cent of the Mr Vlasov was head of the almost daily press criticism of party, first in the neighbouring the oil industry,

This was not enough for an outright victory in the first round, but it was sufficient to guarantee him a place in the guarantee him a place in the February 16 runoff. The polls also showed a close fight between Mr Mario Soares, the energetic pro-EEC Socialist leader, who has long wanted to be president, and Mr Salgador Zenha. The polls indicated each might get between 12 and 20 Douglas. Handow 2 former might get between 18 and 27 per cent of the voic.

the elections, the Socialists are Mr Soares appeared to have regained the backing of much of the 2m-strong Socialist elecattacks on the right are reflected in new posters showing a wolf

If the enthusiasm of the crowds he drew during the cam-paign was reflected in the ballot box, he stood an even chance of Minister of Finance, sald yester- | griting into the runoff

would make a shamples of the French economy. He called its tax and labour flexibility pro-Spain anti-Nato campaign launch which would create social

that the right's economic pro-posals would cost almost FFr 70bn (£6.36bn) to the budget in 1988—the first full POLITICAL parties and assoclations opposed to Spain's continued membership of the North Atlantic Treaty Organi-North Atlantic Treaty Organisation (Nato) launched their campaign organisation at the weekend as the Socialist Government prepared to take formal steps towards calling its referendum on the issue in March.

Germany by an Israel Final Minister.

Bonn represents the third and final leg of a European tour by the Israeli Premier which has already taken bim to Britain and Holland. Shortly after his arrival last night, Mr Perca was the to aftend a dinner hosted by

The date and terms of the referendum, in which the Government will seek endorsement for its argument that Spain should remain in Nato, will be made public at the end of this wast based of adolptic Children will be made to the end of this wast based of adolptic Children will be made to the end of this wast based of adolptic Children will be seen or controlled the c of this week shead of a debate Cahinet Ministers, but also on the referendum in Congress leaders of the Social Demo-

on February 4. The Opposition campaign organisation, known as the Civic Platform for Withdrawal of Spain from Nato, has set process. Mr Peres is also likely a budget of Pta 20m (£149,000), to be asked about the threat from voluntary contributions and the rest from the constituent hodies. Principat among these are the Spanish Communist Party and the

OECD gloomy about outlook for farm trade

INTERNATIONAL tensions global aspect, in the sense that over agricultural trade are all member countries, to vary-likely to worsen dramatically ing degrees, encountered unless the major producing similar difficulties and none of countries make a co-ordinated the major agricultural sectors under the first instance, effort to adjust their farm support system, according to the says.

This constituted affort, it Organisation for Economic The report produced by the Co-operation and Development OECD's committee on agriculture, does not mention

In its annual report on agricultural policies and markets, the 24-member OECD is gloomier than ever about the deteriorating structural balance between production and consumption of most farm commodities; decreasing international farm trade; record public spending on agriculture; falling farm incomes; and ioten-sifying subsidy battles between the hig exporting countries. "In the last 12 months the says. "Without such a global "have seldom neen appimbalances took on a more and co-ordinated effort, particu- the necessary rigonr."

The report, produced by the

ture, does not mention individual countries by name. But its message is clearly directed primarily at the US and the EEC, both of which are faced with similar problems of excess supply—and both of which are having great political difficulty in containing farm expenditure.

The need te implement policies that are not only con-sistent at the national level but also compatible with other countries' policies . . . is becoming increasingly evident." it says. "Without such a global

This co-ordinated effort, it adds, needs to be backed up by an improvement and extension of international rules on farm trade, a reference to the forthcoming multilateral negotiations in the General Agreement on Tariffs and Trade, which are expected to cover agriculture.
The report acknowledges that
most OECD member govern-

ments are endeavouring to reduce their spending on agri-culture, and that policy-makers in member states "have a substantial harmony of views about the medium- to long-term out-look." But it says their efforts "have seldom heen applied with

It is particularly critical, by implication, of the tentative moves towards agricultural re-form in the US and Europe. It draws attention to the danger. when countries impose produc-tion quotas as the EEC has done with milk, of fixing those quotas too high

In the meantime, production of most commodities continues to increase as a result of technological advances, while import demand in what were once key purchasing countries — particularly in Asia — continues to decline and food ton-sumption within the OEGD countries is staguant.

For technical reasons, the rate of increase of yields is unlikely to slow down in the next few years... In addition.

Transfer of city to Punjab state delayed

THE INDIAN Government was last night trying to hreak an impasse in the implementation of its peace accord for the troubled northern state of troubled northern state of Punjab which prevented the state yesterday taking over the city of Chandigarh as its capi-tal, writes John Elifett in New

The handover was timed to coincide with the celebration vesterday of India's 37th Republic Day but talks which continued till late on Saturday failed to bridge the guif between the Sikir-dominated Punjab and Haryana, where India's majority Hindus predominate.

Chandigargh has been the joint capital of Punjah and Haryana for more than 20 years and its handing over to Punjab alone was a central part of the peace accord reached between Mr Gandhl and Sikh leaders before the state's elections took place four months ago.

In return Harvana was to take over some Hindi-speaking villages and the Mathew Commission was appointed to determine, on the basis of language and other factors, which villages are supposed to the party of the state of the sta lages should be chosen.

The commission's report was held up by continuing disputes and eventually on Saturday It reported that it could not solve the problem. It said it could not, on the basis of survey of the use of the Hindi and Puniabl languages, recommend the transfer from Punjab to Haryana of one key village which contained a link road with 83 other villages to be switched. So the transfer of Chandigarh had to be postponed on Saturday night.

South Africa warns neighbours over ANC

Mr. Pik Botha, the South African Foreign Minister, has warned Botswana and all other neighbouring states te close African National Congress (ANG) infiltration routes through their countries or face "appropriato action" by the South African Defence Forces, writes Anthony Robinson in channesburg.

Mr Botha's statement to the Johannesburg Sunday Times followed a decision on Saturday to lift the de facto economic blockade of Lesotho and permit the normal flow of road as well as rall traffic between the two countries.

This effectively marked the end of the three-week siege of Lesotho which culminated in a bloodless military coup

Tass says S. Yemen president replaced

The news agency Tass announced Saturday that South Yemen's Marxist party and national assembly replaced President Ali Nesser Mohammed with a provisional head of state, who apparently has Kremlin support, AP reports from Moscow.

Tass claimed the fighting that raged since January 13 between the president's faction and a rival faction had ceased and the situation in the capital of Agen "is gradually returning to normal."

to normal."
Tass said the South Yemen Socialist Party Central Committee and the presidium of the Supreme People's Council, the national assembly, mei Friday and named Prime Minister Heidar al-Attas "acting president of the country." dent of the country."

US fleet keeps up pressure on Libya

The US Navy kept pressure on Libya yesterday, exercising one of the few options left to Washof the few options left to washington in its war of nerves against President Muammer Gadaffi, of Lihya, Reuter reports from Washington.

The US Administration said the week-long naval operation, involving 26 ships, including the aircraft carriers Coral Sea and Saratoga, was launched yesterday to demonstrate US resolve to operate in inter-national waters.

Although the Although the operation seemed intended to do little more than show the flag, officials did not talk to the control of the cont cials did not tule out a challenge by earrier plades to Lihya's claim of jurisdiction over the Gulf of Sirte.

FINANCIAL TIMES
Published by The Financial Times
(Europe) Ltd., Frankfurt Branch,
represented by E. Hugo, Frankfurt
Main, and, as members of the
Board of Directors, F. Barlow,
R.A.F. McClean, G.T.S. Demer, M.C.
Gorman, D.E.P. Palmer, London,
Printer: Frankfurter-SocietistDruckerel-Gubbl, Frankfurt/Main,
Rasponsible odlior: C.E.P. Smith,
Frankfurt/Main, Guiollettistresse
34, 6000 Frankfurt am Main I. 6
The Financial Times Ltd, 1864.
Financial Times Ltd, 1864.

Financial Times and 1988.

Financial Times, Usps No. 199640, published duly except Surdays and bolished duly except Surdays and bolishys. U.S. subactiption rates 5365.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing offices. POSTMASTER: sund address changes to Financial ratioses changes to FINANCIAL TIMES.
14 East 60th Street, New York, N.Y.

Bonn merger law review sought

carefully rethink its attitude to corporate mergers, according to Mr Wolfgang Kartte, president of the Federal Cartel Office. He has tentatively suggested that a full-scale review of the question should be held hy some newly-formed body after the federal elections early next

Mr Kartte's remarks, in newspaper interview published at the weekend, are likely to add fuel to simmering debate about the effectiveness of the country's cartel laws. Mr Kartte. who is a stout defender of free cated that he thinks the cartel laws are inadequate.

He said that the Cartei Office existing cartel laws or to start was concerned that the number formulating new ones. What of corporate mergers had was needed was a basic review grown from 506 in 1983 to 575 ef all aspects of the question. of corporate mergers had grown from 506 in 1983 to 575 in 1984 and 709 last year.

The Cartel Office did not want of mergers, although it saw the possibility that the trend to-wards large-scale mergers in the US and the UK might splil over to West Germany, Bowing to political realities, Mr Kartle saw no prospect that the Bonn Government could seriously take up the question in the 12 months remaining before the next elections.

In ay case, he believed it was not enough to tinker with the

taking account of Wear Gar-many's indostrial policies, taxation, and corporate and bank-

ing laws.
He said that the huge "warchests" of funds hullt up hy
some big companies and banks had opened the way to "mar-riages of elephants." This phenomenon had to be care-fully considered, be said.

Debate about West Germany's cartel laws has been stimulated by the more by Daimler-Benz, the motor vehicle group, to take control of the AEG electrical

UK urged to cut UN agency aid

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT. BRITAIN, which left the United UN." whose aim is to exercise

and Cultural Organisation (Unesco) at the end of last year, should pull out of other UN agencies as well and cut its financial contributions to

as a "market economics think and destructive."

and written by Mr.

Douglas Bandow, a former nations contribute the bulk of special assistant to the U.S. the U.N's budget — the U.S con
President, claims that the tributes nearly 25 per cent of U.N's agencies are bostile to the total and the U.K.5 per cent

dominate Peres

visit to Bonn

By Rupert Cornwell in Bonn

MIDDLE EAST and trade

issues will dominate the three-

day official visit here by Mr Shimon Peres this week—the

crat (SPD) opposition.

posed by Washington.

against Col Gadaffi, recently lm-

BRITAIN, which left the United UN," whose aim is to exercise UN politicians are altempting Nations Educational Scientific control over natural, financial to apply their "global manage and Cultural Organisation and information resources, and ment" philosophy to the Seato regulate the world's economic and cultural activities, the author alleges.

At the top of his hit list, Mr Bandow places the UN's Industrial Development Organisation (Unido) and Council on Trade and Development (Unctad). which be describes as "illiberal

tributes nearly 25 per cent of the total and the UK 5 per cent the UN is controlled by a They are controlled by an large number of small countries

bed, the moon Antarctics and other unclaimed resources. claiming that they are part of the common heritge of mankind. Mr Bandow, a former delegate to the UN Law of the Sea conference, adds.

The report urges the UK to work with like-minded states to block the UN's global management initiative, io reduce its budget allocation by one-third, to set up an independent panel to review the work the UN agencies and to with

draw from Unido and Uoctad "international elite, artificially which often lack democratic and other agencies "beyond created and nortured by the governments, Mr Bandow says, reform."

Mideast issues | EEC anti-terrorist moves likely to disappoint US

BY QUENTIN PEEL IN BRUSSELS

national terrorism will be presented to EEC foreign ministers today, but any package they agree seems certain to fall far short of the economic Shimon Peres this were to first trip for 11 years to West to fall far short of the economic Germany by an Israeli Prime isolation of Libya sought by the U.S.

and military equipment, and agreement not to replace U.S. technicians and know-how with-drawn from Libya, look to be the best that Washington can bope from its European allies - apart from a resounding denunciation of terrorism in general, and a decision to set up a study group on further

Fallure by the Community to back the U.S. action against the Libyan regime, after intensive lobbying by Mr John Whitehead, the U.S. Deputy Secretary of State, over the past week is likely to add new irritation. Public attention will focus mainly en the laborious efforts to revive the Middle East peace tion to the already sensitive posed by alleged Lihvan support for terrorism and Bonn's rerelatious between Brussels and fuel to adhere to the sanctions Washington.

Trade friction between the

NEW MOVES to counter inter- taken against US imports to counter the restrictions placed on EEC exports of semi-finished sizel products to the US.

Officials are proposing that to fall far short of the economic import quotas he imposed on isolation of Libya sought hy US fertiliser, beef tallow and the US.

Modest measures such as an embargo on the supply of arms and military equipment, and munity of the steel action. The US unitaterally imposed a ceil tonnes from January 1, Wilh an extra discretionary 200,000 tonnes as a special arrangement for exports by the British Steel Corporation.

The ininisters also have to decide what to do about their plans for reform of the Treaty of Rome, the EEC constitution, currently blocked by Denmark pending a referendum on February 27.

Mr van den Broek wants to go ahead with signing by 11 member states—assuming that Italy drops its continuing re-servation—on February 17, but Greece, Luxembourg, and some legal advisors are all dubious

about whether that should be done. Any treaty reform must be unanimously agreed by the

among these are the Spanish posed by Washington. Communist Party and the Belind the scenes, however, the agenda, with the foreign communist-dominated Workers economic questions will play a ministers being asked to agree commissions labour federation. Peter Montagnon analyses what appeared to be a spectacular coup by a leading debtor nation

MR DILSON FUNARO, Brazil's on many different aspects of the Finance Minister, may have spent much of last week protesting on local television that the International Monetary Fund would never darken his doorstep again but his central bank governor. Mr Fernao Bracher, is not being let off so lightly.

This morning Mr Bracher will come face to face in London
with Mr Eduardo Wiesner appears just to have pulled off
Duran, head of the IMF's o spectacular coup by persuadwestern bemisphere department. Both men are due to ate a rescheduling without the speak at a conference on Latin America sponsored by the Inter-economic programme or aven American Development Bank as monitoring of its economy. part of its 25th anniversary

the budget itself, that the idea

Contracting, Construction - T.33 Food

That is where Mr Duran and back-up of any formal IMF

IMF, and just what, if any, con-cessions have ben made by the

participants at the IADB con-ference will hope to see answered over tha next couple of days. For one thing is cer-tain about Brazil's latest deht is still far from clear.

On the surface the decision of leading creditors to negoof \$6bn in deht that fell due last year and to roll forward

VIOSOR | a name and the numbers and tire apparatus of a monern state - the so-

of the story. The whole structure of the proposed agreement suggests that it is a holding operation, designed to tide Brazil over the sensitive political months ohead of November's congressional elections before which no lMF agreement would be possible.
After that the picture may look different, not least because Brazil will be reaching the stage where it may again need an Injection of cash from its creditors.

banks have not given up on the IMF idea at that stage, The first is that they have rejected Brazil's request to reschedule 1986 maturities over the medium-term as well as those of 1985, thus, in effect, penalising it for its lack of an IMF programme.



The second is the little-known fact that the banks only went Mexico as oil prices slide and as far as they did because Mr an IMF agreement there re-Funars was persuaded to write mains tantalisingly out to Mr de Larosiere, promising reach.

to report back on economic de velopments and implicitly recognising that Brazil may again have need of IMF support on the future.

At the very least this should keep Brazil in the running for any benefits that might eventually accrue under the so-called Baker plan for easing the debt problem. Batkers hope for much more—a formal relation—ship between Brazil and the:

IMF to underpin a multi-year debt rescheduling they now expect to negotiate next year.

That may be wishful thinking but one thing which has been achieved in the short term is that a confrontation with Brazil has been averted, allowing efforts to concentrate of the ever more serious difficulties of

it appears increasing illusory to consider exporting as a way of marketing increases in domestic production." Reagan **'unlikely'** to

By Stewart Fleming in Washington

tax increase

propose

MR Donald Regan, While House Chief of Staff, said yesterday that if Congress proposed a tax Increase as part of a package designed to tackle the US budget deficit. President Reagan "will look at it but I do not think he will buy it."

Mr Regan made his re-marks on US television as President Reagan prepares to outline his political agenda for 1986 in his State of the Union speech on Tuesday and then in the following week when he sends Congress his 1987 hndget proposals.

Aiready it is clear that the President's priorities are not shared on Capitol Hill, even by infinential members of his own Republican Party. Republicans such as Mr Robert Dolo, Senate majority leader, Senater John Danforth, and Senate budget com-mittee chairman bir Peto Domenici have all suggested that it is not realistic for the

gress to reach the \$144bu (£107bn) budget deficit target set in the new Gramm-Rudman budget simply by cutting non-defence appending as President Reagan will propose.

But the White House appears to be preparing io fight a tough rearguard action in an effort te secure as much of the President's programme

White House to expect Con-

as it can, Asked yesterday when he would try to cut a compromise deal on the budwhat deal?" Separately, Mr Regan suggested that a report indi-cating that the Senate finance committee might start trying to write a new tax reform which passed the House late last year was wide of the mark. Such a step could diminish the chances of the

Washington team to monitor Philippine poll By Our Washington Correspondent

Senate passing a tax measure.

SÉN RICHARD LUGAR, chairman of the Senate Foreign Relations Committee. agreed to lead a delegation of 30 which will go to the Philippines to monitor the Presidential election there on February 7.

The move comes amid signs of growing disenchantment within the Reagan Administration and the Congress about the prospects for fundamental change in the Philippines while President Ferdinand Marcos clings grimly to power and the fear that without political and economic reforms the Communist insurgency in the country will continue to make gains. continue to make gains. Official frustration with the

failure of efforts during the past two years to pressure on President Marcos to change course was underlined change course was underlined yesterday in a front page report by the New York Times. Written by Mr Lèslie Geih, who was a top State Department official before returning to the New York Times, the report said a consensus has developed in the Reagan Administration that the devarture of President Marcas. parture of President Marcos is crucial to a non-Communist future for the Philippines and American interests to that

It went on to say that Administration policy is to distance the US from President Marcos rather than to try and drive him from power try and drive mm from power through covert er overt pres-sure. It said that President Reagan himself has not taken a majar rote in the formula-tion of the policy but added that both Mr George Shultz, the Secretary of State, and Mr. the Secretary of State, and Mr Caspar Weinberger, the De-fence Secretary, had approved

FINANCIAL TIMES

Brazil's break with the IMF may be short-lived really gone in discarding the This is not, however, the end

escapades: it has been a war of words as much as a war over finance, and so adroit is the in-atinctively political Mr Funaro at speaking with two. or even three voices at the same time that the meaning of the words tiate a seven-year rescheduling

There are two important reasons for assuming that the

Mr Dison Funare

Reuters B 95 375 + 2 Trafalgar Hse... BZ 372 TR. Enbrock ind. Eldt. From Four Co.

WORLD TRADE NEWS

declaration for trade ministers

scheduled to launch the new round of talks in September.

The launching was "certainly not assured," Dr Clayton Yentier, the US Trade Repre-

sentative, said earlier this month after a meeting in San Diego of top trade officials from the US, the European Economic

Community, Jspan and Canada.

In Geneva the feeling is that the momentum towards a new round is irreversible. The prob-

round is irreversible. The prob-lem for the preparatory com-mittee is to ensure the participation of enough coun-tries, including the leading developing countries, to keep alive hopes that the round will.

revitalise Gatt and resume the liberalisation of world trade.

The climate in which the

Reagan upholds imports ban on Dutch fibres

BY LAURA RAUN IN AMSTERDAM

US has upheld an import ban bolds the view that the decision on o super-strong fibre made by of the ITC does not contribute Akzo, the Dutch chemicals and to a colution, because it should Akzo, the Dutch chemicals and to a colution, because it should fibre group, in a move that could exace trained trade practice," the company said. relations between the EEC and

decision on overall trade relations and Dr Clayton Yeutter, panies have been waging legal the US Trade Representative, will visit The Hague on Thurs-

and other heated trade issues, such as steel and agricultural produce.

Akzo said yesterday that it times stronger than steel. They would appeal to the US federal bave applications in bullet proof court against o November 25 ruling by the US International Trade Commission (ITC) that worldwide market bas been estimated into the US for few and times stronger than steel. They bave applications in bullet proof vests, aircraft parts and high-performance tyres. The potential worldwide market bas been estimated at \$3bm a year. imported into the US for five years because it infringed upon patent beld by Du Pont, the US chemicals group.

"Akzo remains prepared to arrive at a settlement in the

PRESIDENT REAGAN of the patent conflict with Du Pont, but

relations between the EEC and the US.

Washington is concerned about the possible harm of the decision on overall trade relations and Dr. Clayton Ventter.

day.

He will meet with Mr Ruud
Lubbers, the Dutch Prime ITC ruling was unfair. He
Minister and President of the
EEC Council of Ministers, to try
to defuse the Akzo fibre dispute Akzo's counterclaim of Du Pont

infringement.
Aramid fibres are light weight, beat resistant and five times stronger than steel. They

Akzo, whose Enka subsidiary recently began to produce its Twaron fibre, has committed about FI 1bn (£750m) to re-search, development and start-up of the fibre.

Miti backs curbs on car exports to US

By Jurek Martin in Tokyo

THE CLEAREST indication yet that Japan probably will extend its voluntary curbs on car exports to the US for another year has been given by Mr Michio Watanabe, the new Japanese Minister for International Trade and Industry.

Mr Watanabe said at the weekend that although the Government had yet to make a decision be would propose an extension of recting the said. extension of restraint.

He forecast that, without it, Japanese car shipments to the US would probably rise by ebout 500,000 vehicles in the fiscal year beginning in April. The current ceiling, which expires in March, limits exports to 2.3m cars.

This increase would be worth about \$5bn (£3.54bn) in sales to the US. This Mr Watanabe said, would not be permissible given that attempts were being made to reduce Japan's \$50m bileteral trade surplus with the

Unlike Mr Keijiro Murata, his predecessor at Miti, Mr Watanabe is a genuine power in the government. He is a for-

THE COMMITTEE preparing it discussed separately in a been promised but often not rethe negotiations on which the committee headed by Mr Felipe ceived.

Arguments over priorities insession and a four-day session round of trade talks and their ing system hinges starts work in Geneva today. It has until midJuly to produce an agreed agenda from the conflicting priorities of the 90 countries subscribing to the General Agreement on Tariffs and Trade (Gatt). It must also draft a declaration that the conflicting to the General Agreement on Tariffs and Trade (Gatt). It must also draft a declaration to the General formulating their priorities.

formulating their priorities.

Developing country interests which the committee must now

Arguments over priorities include Gatt's safeguard pro-visions, which allow a country temporarily to protect its indus-

The preparatory committee has until July to produce an agenda. William Dullforce reports

tries against e surge of imports. Other issues are the national subsidies which distort free trade and restrictions, such as the voluntary restraint agreements on Japanese exports nego-

In Geneva, the feeling is that the momentum towards a new round is irreversible. The problem for the preparatory committee is to ensure the participation of enough countries to keep alive hopes that the round will

tackle ioclude their demand for a standstill — e commitment by all participating countries be-fore the start of a new round to introduce no more protec-tionist measures.

revitalise Gatt.

The climate in which the to introduce no more protections committee convenes has tionist measures. The committee and the industries towards negotiations egainst the resistance of developing countries, notably Brazil and India. demand for a rollback (the reopposed to trade in services being included.

The climate in which the to introduce no more protections.

tiated by the US and the EEC. Thirty items have been proposed for inclusion on the agenda of the new round. Some can probably be assigned to Gstt's regular committees but initially the heads of mission forming the preparatory com-

mer Finance Minister and a personal to trade in services voking of measures taken in The provisional schedule It will almost certainly be releading member of the political being included.

The provisional schedule It will almost certainly be recontravention of Gatt rules) proposed by Mr Arthur Dunkel, newed, although it has become and for early consideration of Gatt's director general and the bane of convinced free Nakasone, the Prime Minister.

mittee will have to consider

them all.

by the end of March. From then on the tempo may bave to quicken.

The committee will have to make an early decision on the venue for the trade ministers' meeting in September. There is a widespread feeling among delegations in Geneva that it would be good politics to hold it in e developing country.
Uruguay bas been strongly
promoted but Brussels and Montreal have also staked

The first tusste could come over the standstill commitment. It is accepted that negotiations to liberalise trade would be pointless if participating countries could introduce new protective measures while talks were going on. But some way of monitoring compliance with the standstill has to be put in place: who shall play monitor?

The negotiations going on simultaneously on the Multi-fibre Arrangement (MFA) in the Gatt textiles committee could trouble the preparatory committee. The MFA which governs the bulk of world trade in textiles and clothing expires in July.
It will almost certainly be re-

Gatt members begin to sort out priorities round of trade talks and their comportment in the prepara-tory committee.

US handling of the MFA talks will be crucial. If Washington considers that after President Reagan's veto of the Jenkins Bilt it needs to throw Congress and US clothing manufacturers a sop by insist-ing on lower import quotas under the MRA, some developing countries will question the sincerity of the US desire to negotiate freer trade. The EEC position on the MFA appears to be more flexible.

A potential landmine in the preparatory committee's path is trade in agracultural products. So far the subject bas not even ben brookehed in the infromal discussions among delegations, atthough with the US and the EEC squaring up as the prin-cipal contestants it is probably the toughest issue that the round will bave to tackle.

If agriculture is not bandled properly. It could prevent pro-gress being made in other trade areas, as it did in the Kennedy and Tokyo rounds. The preparatory committee might hope for a compromise on how to approach agriculture based on approach agriculture based on recommendations put torward by a Gatt agricultural com-mittee, but that would call first for an understanding between

Swatch lifts Swiss watch industry

THE SWISS watch industry confirmed its comeback against the Japanese on the

world market last year, boost-ing the value of its exports by 12.2 per cent to SFr 4.35n (£1.46bn), according to pro-visional estimates from the 12.2 per cent to SFr 4.3bn Federation of the Swiss Watch Industry.

The comeback has been spearheaded by the Swatch, the plastic wristwatch produced in a large variety of colours and designs, of which more than 10m have been sold in the past two years.

The successful marketing of the SFr 50 Swatch, particularly in the US, accounts largely for the 41 per cent increase to 25 Im in the number of fluished watches exported from Switzerland

Switzerland's rejutation among dealers and the broader public, the high-quality luxury watchmakers continue to furnish the solid core of export earnings. They made only 21 per cent of the number of watches exported last year but brought home 41.8 per cent of the earnings.

The US remained the principal market for Swiss watches, taking products valued at SFr 790m or 20 per cent more than in 1984.

China set to clinch US electronics deal

THE US is expected to announce next month an agreement to sell China elec-tronic and radar equipment for a high-altitude interceptor fighter, Reuter reports from Washington.

The Stete Department said the deal, which is reported to be worth \$500m (£354m) could be the largest US mili-tary sale to China.

SHIPPING REPORT

Sharp fall in oil prices

unsettles tanker market

THE SHARP drop in oil prices unsettled the tanker market last week. Business out of the Gulf was at a minimum and rates weakened.

INCC and INCC (perc large dam. for some \$6m (£4.2m).

DELTA AIR LINES of the US

Delta seats up to 142 passen-gers, and will be used by the airline on its internal routes. Deliveries begin in January 1987 and will continue until

The Delta deal follows other big orders by US airlines for either the MD-80 or the Boeing

It indicates that Delta, like

able with prop-fan engines.

Mr David C. Garrett, Delta's chairman, said that the airline continued to watch the progress of prop-fan development closely, and that if that revolutionary power-plant eventually proved effective, Delta could use it to reengine the MD-88s. This meant that the MD-88s could eventually become the

 Trade officials of leading in-dustrial nations bave agreed on standardising the terms for granting soft loans for export sales of helicopters and small commercial aircraft to develop-

McDonnell wins \$2bn contract

By Michael Donne, Aerospace Correspo

has placed an order worth about \$2bn (£1.4bn) for 80 McDonnell Douglas MD8 series jet airliners, powered by Pratt and Whitney jet engines.

The MD-88 model ordered by Dolta seats up to 142 passen-

737-300 twin-jet airliners, rather than the European Airbus

other US airlines, prefers to wait until the early 1990s before buying a new 150 seater air-craft, when the projected Boeing 737 will become avail-

could eventually become the so-called "Delta 3," the aircraft

"which many of us bave been seeking for a number of years," said Mr Garrett. ing countries, the Organisation for Economic Co-operation and Development said, Renter reports from Paris.

The agreement, between all the 24 OECD member countries the 24 OECD member countries except Iceland, is due to take effect from March 10 following formal epproval by governments. The agreement would ben countries from using mixed credit packages which tie a foreign aid component to finance aircraft sales.

How to be the successful transatlantic business traveller.

RULE

TWA gives business travellers special care and attention. Special Ambassador Class check-in. And separate section in the plane.

RULE

Get yourself space to work

TWA's Ambassador Class seats are only six across, in pairs. Plenty of leg-room, wide aisles, space to work. And relax.



RULE

TWA's Ambassador Class gives business travellers a relaxed and restful flight. Widest 747 business class seats across the Atlantic And the most, comfortable. 2a Our redine is more than the others.

Make sure of your

legs and feet.

2b Perfect rest for for back support and lying back.

Expect scrapyards. But Galbraith's said negotiations were taking place for the disposal for scrap of e for the disposal for scrap of the for the disposal for the best service Our Ambassador

Class cabin service is specially tailored for business travellers. Quiet, friendly, attentive. Elegantly served meals.

الرابية والمراج المراج المراجع والمراجع المراجع والمراجع المراجع المراجع والمراجع وا

Make sure the airline takes you all the way TWA flies to over 60 US cities - across America, with-

out changing airlines. Every business traveller to the USA knows that by following these simple rules he's on the way to becoming a

successful business traveller. That's what TWA's Ambassador Class is designed for So why put yourself at a disadvantage? Fly TWA Ambassador Class and enjoy it. And succeed.

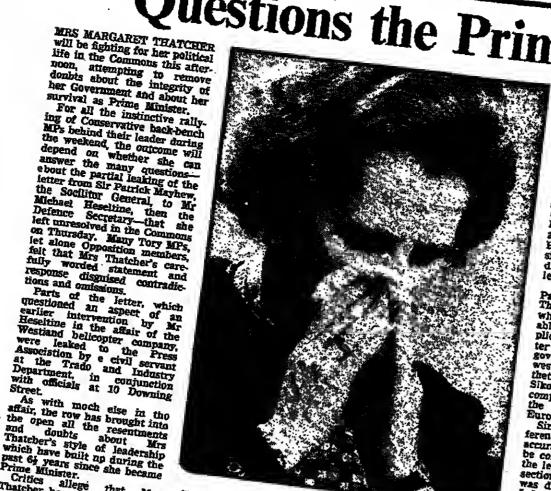
Leading the way to the USA

Domestic Departures

World Economic Indicators

Dec. 34 113.5 Nov. 34 103.3 Oct. 34 120.8 103.4 103.4 103.6 5 tot 36 +7.2 +1.5 +3.9 -4.7 -1.1 -13





The second secon

PUBL

By Ro llead

THE - cellor · Sedatc r perier

- norm: ·· cautio

- and (

... law. expec

Queer heing

· fessio - could

terms

in th

by h

not 1 woul.

has , with

not

· STP £9.5 THI by 28.5 r SIF . Jos

ASI

ĀN

.

ďr:

is

fe;

Peter Riddell sums up the state of the Westland affair on the day of the Commons emergency debate

This raises the key issue of how Sir John learnt of Sir Farrick's doubtest was he told one on the Downing Street General's letter brought in the circumstances it was not ware to the safety bunderune was an agreed statement. However, sharly in short, and Mrs. Tharcher and her staff to underune was the solicitor. Heseltine, was not aware of the sain to underune was there a discussionare weeken a bout the sain weeken about the size of Sir Fatrick's according to Mr Heseltine. Was not aware of the solicitor. Was there a discussionare of Sir Fatrick's according to Mr Heseltine. Was not aware of the solicitor. General's views. Sir Fatrick's can the alliqued of the Solicitor General's views. Mr Heseltine then wrote back of the Solicitor General's views. Sir Fatrick's later on the Mon Sir Street at the sine and had the European governments. Mr Heseltine was not aware of the Who anggested the disclosure? Was it—as some of the Solicitor General's views. Mr Heseltine then wrote back of the Solicitor General's views. Sir Fatrick's case the alliqued the wind in the total mountain the solicitor of the solicit

There have been rumous at Wesiminster that the inquiry was established in response to the anger of Sir Patrick and Sir Michael Havers, the Attorney General Both are known to have been furious about the treatment of the advice — normally regarded as wholly confidential — of a law officer. Sir Patrick is believed to have considered hereignation. is delieved to have considered reaignation.

Why was it necessary to hold such an inquiry when Mr Britian and two of the Prime Minister's closest advisers knew exactly what had happened? Did she ask them after the row had erupted over the leak following January 8.





APPOINTMENT of Mr Paul Channon as Secretary for Trade and Industry, is much more significant than it seems at first sight. For it is a sign of Mrs Thatcher's current problems, in contrast with her previous strength. With her previous strength:

Until now, Mrs Thatcher has insisted on having in that central position one of her close supporters and an advocate of her approach to economic and industrial problems— such as Sir Keith Joseph, Mr Patrick Jenkin, Mr Cecil Parkinson, Mr Narman Tebbit and Mr Leon Britian. Mr Channon is not in that Norman Fowler: a contender

for the post

Thatcher's supporters were urging her to appoint either life Nicholas Bidley, the Transport Secretary, or Mr. Norman Fawler, the Social Services Secretary. But the key advice came from the John Wakeham, Tory Chief Whip, and Lord White-law, the leader of the Lorda. They arged the appointment of Mr Channon as a non-controversial and steadying choice. Mrs Thatcher's acceptance of the whips' office view highof the whips' office view high-of the whips' office view high-While Mr Nigel Lawson remains Chancellor and Mr

for the last fortnight) has a rucial role as Conservative Party chairman, many key positions are now held by people who are not Mrs Thetcher's natural allies. They have independent positions, like Mr Douglas Hard, the Home Secretary, and fastest rising star of the Cabinet, or Mr Remeth Raker, the Environment Secretary, and Mr Recognition Clarke, the Paymanter September. The same applies to both ty2 latest entrants, Mr Malcolm Rithing at the Section.

to challengo the Treasury's tight control and attempt to infinence the shape of the This group of ministers may now try to aspert their independence and sock greater collective decision-making rather than discussions in applied by Mrs Thatcher as now occurs. For instance, on yesterday's Weekend World programme on London Weekend Television, for Muril gave 2 clear indication of his view when he said: "I think it is very important that people should see that we are ander Cabinet government."



Official leak that put secrets legislation back on the reform agenda FOR THE second time in the Westland affair the existence of a confidential letter has politically ensuared the Trade called authorised leak Such a tion 2 of the Contravene Secretary. But on leak does not contravene Secretary discovered the second occasion the interpretation of the letter of January 8 from the letter of January 8 from the letter of January 8 from The Act does not deign to

said Dr Owen.

"The full truth has to come out. I think, if she tells the truth, it will mean saying things in a very different way from the way she said them on Thursday. Quite frankly.

If she went on "not telling the truth "it was possible that the Tory Party would "drag her out. Minister's position is now very and Roy Hattersley.

Labour. " Minister's position is now very witherable," In the Prime of a confidential letter has and industry Secretary. But on the same formation of the source, and thoustry Secretary. But on the letter of the secretary in the letter of the secretary in the letter of the secretary. But on the same integrity, is equestion of the source, and thus brought the integrity, is equestion of her in when side knew the had been lacked with the knew the had been lacked with the knew the ledge of her own Office.

Mr. Norman Fowler, Health programme that to people of another ware more worsed like the example of and waved only when the same first an another was consulted and confidence was respected in the thought of the same written by the Solicitor General succession. The letter of January 6 and written by the Solicitor General succession of the European consultation. The letter of January 6 and written by the Solicitor General inaccuracies of the Prime density of the Prime density of the European consultation. The letter of January 6 and written by the Solicitor General inaccuracies of the European consultation of the European consultation. The letter of January 6 and written by the Solicitor General inaccuracies of the European consultation. The letter of January 6 and written by the Solicitor General inaccuracies of the European consultation of the European consultation. The letter of January 6 and written by the Solicitor General inaccuracies of the European consultation. The letter of January 6 and written by the Solicitor General incommendation of the European consultation in the material inaccuracies of the European consultation. The conficial version of the law written by the Solicitor General inaccuracies of the Crown servant's duries.

The Art does not contravence Secretary. The conficial information — the solic discussion in the confidential letter has and industry Secretary. Trade and industry Secretary Secretary. The conficial information — the solic discusion in the called and considerated Secretary and the law reform

While no doubt propriety among ministers called for the Solicitor General's permission to lift the veil of confidentiality (which was never sought) the Prime Minister would have been legally entitled herself to waive confidentiality.

7.54

- 1.75 Stores



damaged and will remain among ministers called for the damaged to the next election.

Tory backberners on the to lift the veil of General's permission what disclosures they may produce anxieties were summed up their farmed ministers could have been doubts. The clearly support of any department of the official screen legislation is a formal for

Without the Solicitor General's authority, the Frime Minister alone could authority the disclosure of the letter of January 5. Mr Brittan obviously appreciated that legal fact from No 10 for the letter to be the sought such authority disclosed to the Press Association.

Franks Committee in 1972 recommended the abolition of statute called the abolition of statute called the Official The new Jegislation would of defence and in the areas security, foreign relations; currency and research.

In the absence of prime mini-sterial authorization, Mr Brittan himself and the civil servants at No 10 would have rendered themselves susceptible to pro-secution. The fact that they thought that authority either had been forthcoming (whether or not it was) or that it was or not it was) or that it was subsequently given retro-subsequently given retro-spectively could not excuse them from Hability.

The obscurity of the law relating to authorised leaks adds further point to the growing campaign to rid the statute book of the to many people—ludicrously wide application of the English criminal law releting to official information. The

Information Act

The new legislation would cover information in the areas of defence and internal security; foreign relations; currency and reserves; cabinet is and order; information a given by the citizen; and internation used for gain.

In the first three areas only Did the Prime Minister ex.

Pressly authorise the disclosure law and order; maintenance of the letter of January 6 on the tester of January 6 on the letter and formation used formation used for gain.

In the first three areas only disclosure of those matters secret and defence—confidential would involve and at the time of prosecution for the other reason, the question has to be asked; Did the Prime Minister give such authority? he properly pertained.

Had successive governments since 1972 acted on the Franks committee's compelling report, in would not have been potentially within the ambit of an official secrets ambit of an Government finds itself caught, operation of Section 2, it has the aura of successive to blame.

The aura of section 2, it has

The aura of confidentiality which has permeated the two communications over the West-doing of one member of the confidentiality communications over the West-doing of one member of the Government. Pethaps the experience will now prompt some further thoughts about the repealing or at least revision of Section 2.

old Tor crec ph par C 50 retains picxion of of a chois timely los the tarnis Thatcher's His credentia ally those upper crus Cabinet in Eton an Oxford, and

Pa

Ch

he is a function of the is a function of the entry to the age of 33 b Henry "Chig father, as Menty to the entry to the ent With such an I background a experience is middle ranki Channon ca Cabinet at the

and Industry Department Minister of State, 1
responsible for trade 1
since 1983 28th year as an MP ar to owe more to the Minister's desire to kee

changes in the top ran the Government to a mum in the wake of resignations of Mr Mic Heseltine and Mr / Brittan.
While he enjoys the repute of being a quiet, low-property of those who have observable performance behind ministerial desk rated him wet long before that ter gained the political opproblum bestowed open it is the statcher. Brittan.

Determined The political considerations which made the Prime Minister so determined to resist the attempts made by Mr. the attempts made by Mr Heseltine — long before the Westland affair — to gain the pivotal position onloved by the Trade and Industry Security in determining economic policy did not weigh beavily on her mind when she agreed that Mr Channon should become Mr Brittan's Successor.

The new Trade and Industry
Secretary has served in the
Searchment as Minister of
State, primarily responsible
for trade policy, since Mrs
Thatcher formed her second
edministration after the 1983
The number of the second

General Election.

The number one post has eluded him on two previous occasions—once when Mr Cecii Parkinson oud, porhaps despite having beld the reins when, Mr Tebbli was rocovertained in the Brighton bombifson the Home Office last September. Practical

Regional policy, where Mr Brittan was elready trying to give practical effect to bis recognition of the need to reduce the imbalonce between the prosperous areas of the by unemployment, is an area have an early opportuoity to imprint, will also be:

imprint.

He will also bring to the experience he bas gained as the experience he bas gained as the strategy designed to end in strategy designed to end in successor to the Multi-Fibre Arrangement due to cad in EEC Commission—does not it will be possible to contain the protoctionist forces alment backbenches.

He will be possible to contain the protoctionist forces alment backbenches. ment backbenches.
In corlier periods of office as Minister of State, Mr Chauson has been responsible for the lag and Northern Ireland.
When he began his eightmonth 1972 he was assured by Mr political mentors, that he had "the Irish will never shoot a Guinness,"

Justinian

Financial Times Monday January 27 1986



12 of your salesmen in 9 countries have just won substantial orders.

Without being able to check current stock levels, they cannot confirm delivery dates.

And unless they can confirm delivery dates in the next two hours, it could be curtains.

Your factory closes in half an hour.

What do you do?

Open the box.

See page 9 of BTT's Business Box. It can revolutionise your communications abroad. Only British Telecom International offer a complete range of international network services. So no one is better placed to help you make the most of the services you're already using. And talk to you about the ones you're not. Don't get left behind. Complete this coupon today.

Before your rivals do.

Apply by posting this coupon to: BTI Business Box, Freepost BS 3333, BS1 4YP or by phone (free of charge) on 0800-400-414.

Name & Position:

Company Name & Address:

Business Tel No.

Does your business communicate internationally:

Nature of business

BRITISH TELECOM INTERNATIONAL · WE'LL PUT YOU ON THE RIGHT LINES.

John Lloyd and Helen Hague trace how the News International group defied striking print unions to publish two of its titles

Murdoch wins first round in the battle over Wapping

PUBL Head THE sedaţċ - perier - norma .. cautio ·.. and c .. law. "the · Queer fessio could terms politi so inc he h not the s tége

out and the print unions win in days. We had to win," said

in days. We had to win, sain
Mr Andrew Neil, editor of the
Sunday Times yesterday.
So far, Mr Rupert Murdoch's
News International group has
won. As the 36-ton trucks
roared down the sweeping

curved ramp coming out of the NI Wapping plant in the east end of London under the arc

lights on Saturday night and

sights on Saurrasy night and Sunday morning, through the double steel gates and the barbed wire, past the six freezing and progressively demoralised Sogat '82 pickets, up the narrow side roads into Commercial Way part 2000

mercial Way past 200 more pickets penned up there away from the main plant, out past the Tower and eway, so the

print unions know that the tactic of mass picketing would not and could not work. Indeed, it had not even been tried.

Mr Murdoch has won so far

because he had prepared with a precision and efficiency absent from most Fleet Street managements in the past. He has done so coldly and cynic-ally, secretly and deviously, anticipating excessivity the

anticipating successfully the moves of the other actors in the drama. This weekend, Fleet Street changed — not by attri-

tion, not by marginal shifts, certainly not by negotiation —

Mr Eddy Shah, whose new

paper, Today, is scheduled to appear in March, is a key figure. He and Mr Neil had dis-

cussed the new paper early in 1984: Mr Neil was among a

number of edvisers who steered

Mr Shah in the direction of the electricians' union, the EETPU.

to get a no-strike deal for his new plants. Mr Shah, approached by the EETPU through Mr John Grant, its

communications director, and Lord Harris, like Mr Grant, a

prominent member of the SDP, began talks and ultimately

reached egreement in the middle of last year.

plant be was having built for

his projected London evening paper, the London Post. Talking

Mr Murdoch came to London

but by fiat.

the s has rope not

advantages will be available to the businessman or smaller business. Barclays new US\$/Sterling Exchange Rate Option (BERO) Certificates, in denominations of £5,000, provide approxi-

mately six months protection against dollar rate fluctuations without tying up your cash. All you pay is the price of a premium.

What are BEROs?

Simple over-the-counter US\$/£ currency options which can be exercised or re-sold at any time until the expiry date (approximately six months). They come in £5,000 denominations. You can buy up to 20 at any one time.

Until today, the security and flexibility of

foreign currency options were easily available

only for larger transactions. From today, all these

What are BERO's benefits?

BEROs provide immediate protection against US\$/£ exchange rate fluctuations. Each BEROguarantees the price you will pay for US\$ any time until its expiry date. Or, you can use BÉROs to guarantee the price at which you sell

What are the buyer's obligations?

None. BEROs are a bearer instrument. You can exercise it or resell it until it expires. If you do neither, simply destroy the certificate after expiry date. All you have paid is your original premium.

*Each certificate expires on the 15th of the 6th month after the

"THIS COULD not be just which would render it open to another Fleet Street strike any agreement with any union: where we don't get the papers and then to follow Mr Shah's example in negotiating with the electricians.

It appears that the electricians' card was, from the begin-ning, two-sided: on the one, negotiations with the EETPU strengthened NI's hand in negotiations with the big print unions (which were getting nowhere); on the other the alectricians were also seen as a fallback, a labour force which could substitute for the printers

to Mr Murdoch's tough terms— a legally hinding, no-strike agreement-NI's papers would have continued to be produced at their previous central London sites of Bouverie Street and Gray's Inn Road on the fringes of Fleet Street, with e much reduced staff: the Wapping site would have been used for the new Post and for extra sections of the Sunday Times—though probably Mr Murdoch would not have allowed the print unions into Wapping once the electricians hired to work the plant proved

they could be trained to use the machines. It is a matter of judgment how far the negotiations over the past weeks genuinely failed, or were assumed by Mr Murdoch to he bound to fail so that his audacious strategy of moving to Wapping with all four titles could be tested. But once they failed, and once the unions declared a strike from last Friday, the plans went into

immediate operation. journalists important, though probably not crucial. Over the past week, it hed become increasingly clear to News International journalists that they would soon be called on to make a choice: would they work with Wapping or not? Last Tuesday, the Netional Union of Journalists' emergency committee called on its NI members to work normally but not to go to

(office hranches) endorsed the in February, 1985, depressed over the future of the Wapping On Friday night, the Sun journalists called an emergency meeting, to be addressed by Mr Kelvin MacKenzie, the over its future with his senior Sun's tough and irrepressible executives. Mr Murdoch heard editor. Mr MacKenzie, who from Mr Neil a plan to desig- often salts his commands to re-



Harry Conroy - journalists

telling the 100 or so journalists telling the 100 or so journalists that they were essential to the Sun's future: less emollicative, he told them that if they did not move to Wapping forthwith, they would be sacked. "For Christ'e sake, take it with both hands," he said. After three adjournments, during which time be told them he would talk to Mr Murdoch, he produced a package which gave them each package which gave them each an extra £2,000 a year, together with membership of a private health care scheme to come. They voted by 101:8 to accept. They were told to gather the

the Tower Hotel at 10.00 am or 2.00 pm to he hussed the few hundred yards to the Wapping plant: some of the senior journalists stayed in the Tower overnight. At 10, a coachload set off: the driver, unfamiliar with the geography of east London, took them to East India Dock more than 1 mile further east before being directed hack, amid much semi-hysterical hilarity, to the plant. For most, it was the first time

morning-Saturday-at

their photograph on it. Each was described on the card as "consultant." They were then told to go to the canteen for a free snack and then to repor to the editorial suite on the from Mr Neil a plan to design often salts his commands to remain and The first journalists to reach Sanday Times and The Times nate Wapping a greenfield site, porters with a liberal dose of the newsroom were assumed. Since are, the Sunday Times

Barclays L5,000 BERO Bearer Certificates.

SIX MONTHS DOLLAR RATE PROTECTION

What are their main features?

Sterling PUT - you buy US\$ against £5,000.

Sterling CALL - you sell US\$ against £5,000.

Initially, Barclays will offer strike prices for two

Sterling PUTS at exchange rates of 1-3750 and

1.3500 and two Sterling CALLS at 1.4250 and

1.4500. Option expiry date on the first issue will be 15th August 1986.

Where do you obtain BEROs?

ized Barclays branches throughout the UK.

What do they cost?

exchange rate related to the current US\$/£ rate

at the time of purchase. Customers can obtain

quotations from their nearest authorized

Barclays branch - local branches will be happy

to help. If you receive Reuters screen pages,

indicative premiums are available via Barclays

Options Desk, Head Office Foreign Exchange and

Money Market Centre, 29 Gracechurch Street, Londor

EC3VOBE, Telephone 01 283 0909 or any branch

Barclays Bank. Reuter pages BBOR and BERO

For further information contact the Currency

BARCLAYS

pages BBOR and BERO.

Any branch will be pleased to assist you.

BEROs are available through 33 author-

The premium is based on the guaranteed

There are two types of BERO Certificate:

day—which for all of them learn.
would normally have been a
day off—was to be designated
as a time to familiarise them-

selves with the new technology. On the backbench, where the senior news and sub editors sit, was a number of faces they recognised: colleagues who had been seconded to set up the new Post, and others who had had what had come to be known as the "Wapping cough" — that is, who had formally gone sick over the past few weeks, but who had been secretly trained in the operation of the new

Each reporter and sub editor was issued with a red, loose-leaf book which took him or her simply and swiftly through the Atex system: the reporters learned that they need only key in their stories, then key in a code and press a button

The entire floor had been laid journalists were working nor-out as a fully electronic news-room, with everything in place: they were not then faced a deak was ready for all of with the choice of going to room, with everything in place: lines. They were not then faced a desk was ready for all of with the choice of going to them with an Atex terminal on Wapping Instead, their copy each; phones were in place; the was taken or tele-faxed down switchboard had just been in- to the east London plant and stalled; and all around the floor made up there. Both Mr Neil were genial men and women, and Mr Charles Wilson, The many of them American or Times editor, loined Mr Anstralian, who welcomed them MacKenzie and News of the to their new workplaces and World editor Mr David told them to call on them for Montgomery at Wapping later any help they would need. The in the day to help out and The Sunday Times, an 88

page monster of a paper, had heen printed in sections throughheen printed in sections through-out Saturday, starting at 1 am by the evening, only the 24-page news section was left to catch the last possible news. The et-musphere, by all accounts, was slightly frentied but com-radely. The editors strode about the floor, encouraging the journalists. Mr Murdoch, wear-ing a pulleyer, was affable and accessible; the customery bar-rier between editorial and print areas barely existed. areas barely existed.

Says Mr Neil: "It was the greatest pleasure to walk around my production floor without asking the permission of the father of the chapel (shop steward) to talk to people, to look at headlines and say, no, that's not right and

'This could not be just another Fleet Street strike' - Andrew Neil, Sunday Times editor

designated its space in the page, he or she coded it down to the make-up department. where it was printed out and pasted-up to be made into a photo-lithographic plate.

Copy coming in through wire services, or from reporters phoning stories in from outside torused compound: they drove same into the system in the through the double gates, and were checked out to e registration point, where each was system worked and were keen photographed, then issued with to make it work in practice, e colour-coded plastic card with their photograph on it. Fach That same Seturday morning, the News of the World re-

porters had voted et their Bouverie Street offices, to go to Wapping by e margin of 43-2. Many joined their Sun colleagues later in the day. Up at Gray's Inn Road, where the

which released the copy to the tear it off myself, then paste sub editors. Once the sub down another one, A number of had corrected the story and pages of the Sunday Times were pasted down by me." In Fleet Street terms, that is as good an index of a revolution as any.

The Times journalists were

now facing the squeeze; by Saturday morning it had Saturday morning it had nalists, they too would receive hecome clear to all that they a £2,000 a year pay rise and free were faced with following their colleagues on the Sun and the News of the World to Wapping, with all the possible un-pleasantness that entailed. They met in chapel (office branch) session at 2.30 on Saturday afternoon at the Royal National Hotel in Bloomsbury. They had already been told by their management that if they did not go to Wapping they too-for all the cachet of being Times men and women — would be fired just as summarily as the most junter Sun sub-editor.



way out. They invited Mr Alexander Irvine. distinguished labour lawyer, for an opinion on whether or not they could sue the company for issuing the ultimatum. After a vened in the evening to hear that Mr Irvine had told the chapel committee that they had no grounds for a suit, though they might be able to claim unfair dismissal once sacked - hardly an answer to their quandary.

On Friday night, The Times macagement put forward to chapel officers a supplementary agreement to the existing pay and conditions egreement with the journalists. It would be extended to March 1987, but the old clause on new technology would be replaced by a new one which committed the journelists to operating the Atex system at Wepping, this to be worked "without any reservation what-soever." Like The Sun jourmedical insurance for them-

selves and their families. During the meeting on Seturday Times executives 'phoned the hotel, offering to dilute the catchall "without reservation" clause. In addition, they said those who did not want to work to — but would not get free health care or the proposed pay new technology would not have

The pressure on Times journalists was increased by warn-NUJ ings from the several unior Sun sub-editor.

officials and national executives jobs; we're asking you as a option
Naturally, they looked for a present — who included Mr trade unionist not to cross — rough.

Harry Conroy, the general secre-tary. Mr Jake Ecclestone, the deputy general secretary, and others — that if they moved to Wapping they would be in breach of union instructions. Mr Ecclestone told the meeting:
"This is the worst new technology agreement in the whole

The chapel committee, led by Mr Greg Neale, The Times chapel father, stuck loyally to the NUJ line. The committee put up a motion to reaffirm the "no move to Wapping" line. but to start negotiating on new technology at Gray's Inn Road. This was amended from the floor to read that there should be no more to Wapping, but for negotiations on new technology at the Wapping plant — an acceptance that the Wapping move would come. The smendment was lost by 57-58 — an indication that the chapel was exactly split on the inevitability

The meeting went on to midnight and grew more and more gloomy and confused. Mr Conroy told his members that if they moved to Wapping they were open to discipline under the NUI rule 18. The quandary became clearer, especially for members of the paper's political industrial and labour staffs. Would they, if they moved to Wapping lose their contacts in the labour and trade union movement? On the other hand, if they refused, would they lose their jobs forever? Near midnight, a final vote was taken, and a motion passed

which instructed people not to

go to Wapping—though a pre-vious motion had also been passed saying that they should go on the understanding that the existing new technology clause be accepted. Back at the Wepping plant, the pickets gathered as even-ing fell. The police, there in e strength, kept the bulk of them—never more than 200 —in Commercial Way, above the plant, letting between six and 10 down to the gates.

As the big new trucks swept in empty, the pickets stepped forward and asked them to stop. Most did not: those drivers who did usually listened to the pleas-" Our jobs are on the line, mate: the people in there are taking our

Around 7.00, one fruck, backed up by two more in the narrow approach road, sid stop and appear at ready to turn back; but his colleagues behind revied their engines to the ptekers, shrugged, that he window, the gates opened and

he drove in.
There was no repetition of the miners' picket like scenes, though NI says that some naise were thrown. One Sogat official get a six on where all these lorries have come from and arrange for cars to fellow them." The nearest pub, ironically named The Caxlon, provided warmin for of the cult strategy meetings. "We're not strategy meetings. going to stop them by pecket, ing," said a Times machine operator, "we've got to block supplies of tak and paper."

The printing had been delayed by technical intelless use compared by technical intelless use compared to the delayed by the said the delayed the said the sai

puter had gone down, and the complex Sunday Times proved too difficult for the raw labour. But they got it through and started printing by about 800 the first lorries came down the ramp and out by 9.15, not stop ping at the pickets, up the approach road and out, to shouts of scah and worse. Me Murdoch had not his papers out Yesterday was something of

an anti-climax. The Sun journalists went in to their new plant to produce for real Mr Neit gave interviews to say how clated he wes it had worked; NI said that some 3m copies of the NoW had been printed (750,000 in the new plant in Glasgow), 2m down on normal; and 1.2m copies of the Sunday Times had been pro duced from Wapping (150,000 down from normal).

Some Times journalists, ros tered for Sunday duties, ap-peared at the Wapping plant, They were shown to their awa editorial offices, laid out ready in a listed warehouse which the main building. NI said confidently that there would be

a Times this morning, The rest of the Times last night, still trying to work out what to do - but with the knowledge growing in the miod of each of them that the

Following the lead of cost-cutters

years as much a synonym for a set of work practices end the legendary earnings they brought as a geographic description, may have come to an end yesterday.

Mr Eddy Shah with his plans for a new daily put the writing on the wall. Mr Robert Maxwell, publisher of the Mirror, quickly took his cue and negotiated the loss of 2,100 jobs

in London and Manchester. Now Mr Rupert Murdoch has vaulted over the past in a way able only weeks ago. If he succeeds in drastically cutting his costs, as he appears to have done, all other national news-paper publishers will be forced to follow to some extent.

According to some estimates, full operation from News Inter-national's Wapping, east London, plant, with only the number of production workers that plant needs, could cut the group's costs by up to 80 per

cent.

That figure is almost certainly an exaggeration, for the cost of private distribution to newsagents is high. But one seasoned. Fleet Street chief executive estimated yesterday that the move could sava Mr Murdoch around £60m in a year.

If anything like that saving is be as far as possible to make achieved in practice enormous the savings through voluntary pressure will be placed on other redundancies and non-replace.

pressure will be placed on other proprietors to cut their costs too.

Proprietors used to try to hist out their costs. Now increasing their costs. Now they are trying to hist out the opposition by reducing their costs. Market forces have caught up with Fleet Street."

Later this week Mr Linacre will be presenting plans to unions at the Daily and Sunday Express and the Star for the elimination of 30 per cent of the more than 6,000 jobs at Express Newspapers. The man-

Raymond Snoddy on the plans of other newspaper publishers



Edity Shah's plans put writing on the wall

agement has been drawing the price and its advertising rates plans up since United bought could have e devastating effect the group at the end of last on the paper's fight for profityear. Now drastic cost cuts could become a matter of sur-

Unlike News International. United plans to stay in Fleet Street and regotiate with its existing unions. The sim will

Already negotietions with the print unions in Manchester before Christmas led to a £2m savings on the wage hill. Talks with the London unions will be held later this year. Although, like United, the Daily Telegraph management wants to take its unions with it rather than locking them out behind barbed wire, clearly the changes will be drastic.

It is clear that Mr Rogers, a former managing director of both the Daily Mirror and IPC, will have a key role in the coming negotiations on costs, numbers and working practices. The emphasis will be oo negotiation and voluntary redundancy, something helped by the fact that a high propor-tion of the production staff is believed to be near rettrement age. But the eim will be to move towards direct input of copy by journalists, something

that is already widely practised in the provincial press. The new Telegraph printing plants also give scope for raising additionel revenue.

Manchester l_S already producing the Northern edition and the London plant is expected to be fully opera-tional by September. Together the plants will have the capacity to print another national newspaper under contract. It is believed the Telegraph manage-ment intends to use that extra

capacity.

The Financial Times, like
United and the Telegraph,
plans to take its existing unions with It and negotiate to achieve reelistic cost savings. manning practices and greater

flexibility. It is helieved that the Financial Times management is in the process of putting the final touches to e plan for the future to put to the board of

Alternative distribution network put to test

International's two Sunday pany, an Australian-owned cortitles — the News of the World and the Sunday Times — is Murdoch, the Nf chairman, claimed by the company to have through their shared ownership of Ansett Airlines.

In the DISTRIBUTION OF News ing to the TNT transport company to the Murdoch, the Nf chairman, claimed by the company to have through their shared ownership of Ansett Airlines.

In the TNT transport company to the Murdoch, the TNT transport company and the Murdoch transport company and the Murdoch transport company and the Murdoch transport company and Australian owned corticles — the News of the World and Australian owned company and Australian owned corticles — the News of the World and Turn transport company, and Australian owned corticles — the News of the World and the Sunday Times — is Murdoch, the Nf chairman, claimed by the Company to the News of the World and the Sunday Times — is Murdoch, the Nf chairman, claimed by the Company to the Nf chairman and the Sunday Times — is Murdoch, the Nf chairman owned to the Nf chairman owned t union officials deny them — then NI has in place an embryonic alternative distribution system which cao replece ally. He had agreed with Mr traditional road and rail Murdoch last week to lift all system whose origins date back to the beginning of water back to the beginning of mass circulation newspapers e century ago.

NI printed 3m copies of the
News of the World — 2m fewer
than usual — at Wapping and
Glasgow, and 1.2m copies of the

THE DISTRIBUTION of News ing to the TNT transport com-

Mr Alan Jones, the TNT chairman, moved down to the Tower Hotel near the plant to copies of the papers which he produced, and laid on a fleet of

The papers were transported TNT's own distribution

Distribution is said to have

gone well in most parts of the country except Lor on, where many wholesalers refused to handle them because of the hlacking order imposed by Sogat '82 which organises most of the distribution workers.

Many newsagents received their copies late in the day but some organised special late deliveries
Mr Chris Robbins, Sogat's
London district secretary, said

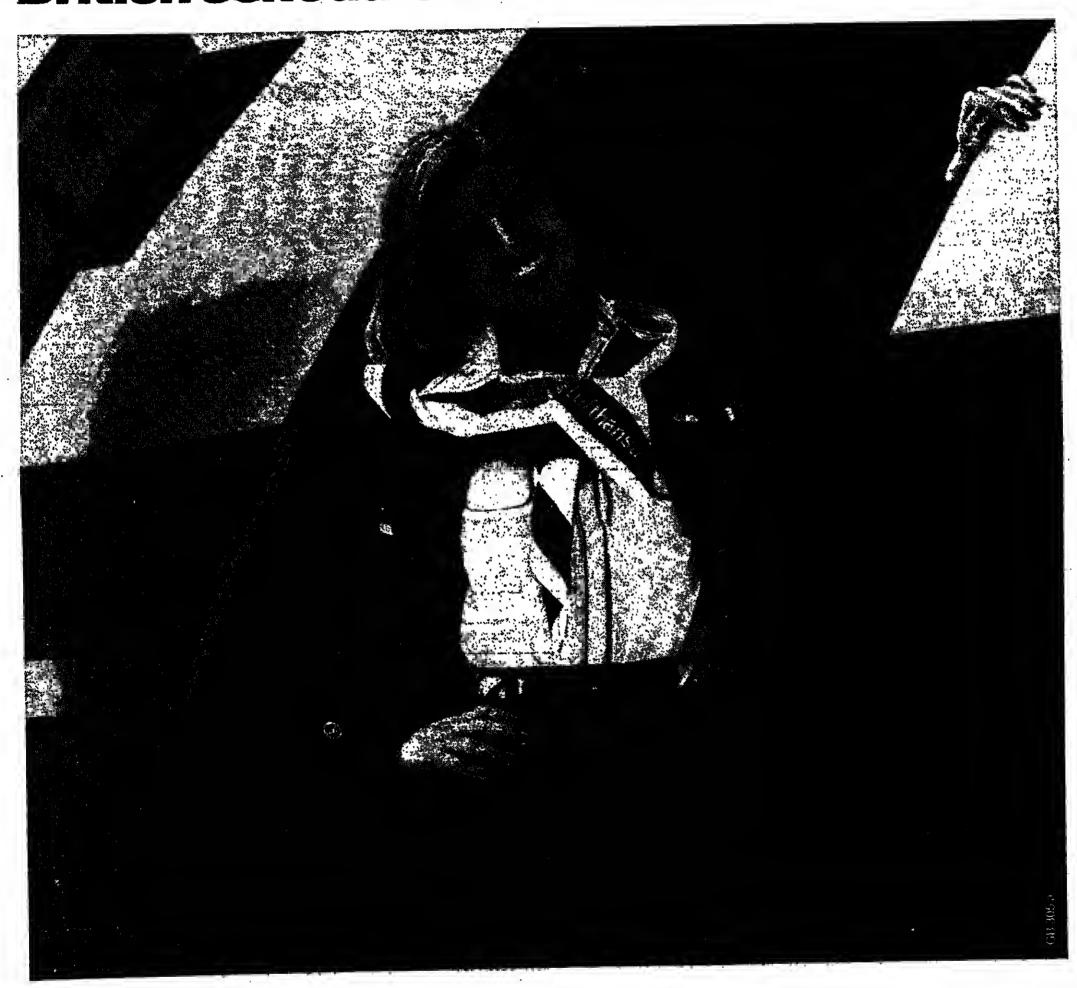
wholesalers and retailers. Many retailers picked them up from distribution points in their own were monitoring the distribution. tion patterns throughout the country, he sald,

However, it does seem as though the light picketing evident et Wapping on Saturday night will continur, et least until Tuesday, when a special TUC general council will sit in judgment on the electricians' union, the EETPU, for allegedly colluding with Ni in staffing up the Wepping plant.
Even after that, mass picket-

News of the World — 2m fewer to TNT's own distribution than usual — at Wapping and Glasgow, and 12m copies of the Sunday Times — 150,000 fewer than usual — at Wapping. They then usual — at Wapping. They were taken out in trucks helong. They were taken out in trucks helong. They were taken out in trucks helong. They are as had not received the NI areas had not rece



Lufthansa reaches destinations British scheduled airlines cannot reach.



Addis Ababa, Aleppo, Algiers, Ankara, Bucharest, Calgary, Casablanca, Damascus, Graz, Heraklion, Ibiza, Jakarta, Kinshasa, La Paz, Leningrad, Lima, Linz, Mexico, Montevideo, Quito, Saloniki, San Juan, Santiago de Chile, Seoul.



Lufthansa

AROUND

BRITAIN

HARLOW

Manufacturing decline has

robbed this former new town

of spectacular growth and

forced a rethink of strategies

Harlow also has an enterprise agency sponsored by local em-ployers including Boots and Marks and Spencer. Tesco has

So far the agency has been responsible for helping 200 new husinesses to set up locally creating about 300 jobs at a cost

of about £200 per employee. Harlow Enterprise Agency also runs an annual small business competition which has resulted in new companies.

Employers through their grouping have been responsible

for the setting-up of an indus-trial health service so that em-

new or existing staff can learn

new skills in construction, elec-

But it is not only industry that needs in be built up in the

the population has started to decline.

The council has asked the

nded one of its managers

Guesswork out of Product Development. ITT is in the forefront of product research and development

for its own range of high-technology products. From Harlow we offer professional assistance to electronics and communications companies throughout Europe.

SERVICES TO **ENGINEERING**

Computer Aided Design Electronic Component Consultancy

SERVICES TO

Software Development Artificial Intelligence

MARKETING

Industrial Design and Human Factors Documentation Computer Aided Translation Technical Support

To find out more, please contact:

Chris Heath, ITT Europe, Great Eastern House, Harlow CM20 2BN Tel. (0279) 35451





Town with an identity crisis

HARLOW IS a town with an identity crisis. It is no longer technically a new town, having lost its status as such in 1980, yet it suff is regarded as one of the brash new towns created in the 1940s as a population over-spill area for London.

Behind its concrete edifices and traffic-free shopping. Harlow is facing up to the fact that it has to fight for new industries and jobs.

Its traditional light industry, which includes many electronics companies, cannot guarantee the speciacular growth of the 1960s and 1970s. For the first time in 15 years one of the largest employers in Harlow Cossor Electronics with more than 2,000 workers, has announced redundancies; and other companies such as ITT and STC, expect little or no growth in

Fortunstely, Harlow's manufacturing base is wide with concentrations; in paper, printing and publishing through companies such as Pitney Bowes and Longman Publishing; food, tradition of working closely with employers and this has resulted initiatives to

per cent of jobs in manufactur-ing industry, Harlow has more than 49.9 per cent and as a re-sult is strongly influenced by the overall decline in the UK's manufacturing base.

To'cope with this move away To cope with this move away from traditional manufacturing, and a decline in population. Harlow is rethinking its strategy. On parts of industrial sites retail warehousing such as MFI and Queensway is being placed where factories once stood.

Initiatives

Between 1983 and last year 310 jobs have been created in the services sector and 1.300 in manufacturing, arresting the fall that has been taking place generally in industrial jobs. Unemployment stands at a little over 9 per cent — lower than the national average -- hut Har-low sees long-term unemployment among the young as a growing problem.



Report written by Elaine Williams

belp the jobless acquire new skills.

Mr Ron Snoad, chairman of the employers group, which re-presents about 60 companies, comments: "The council bas picked up any initiative that is going around. For example, the town has a number of youth opportunities schemes, an information technology centre which panies such as Pitney Bowes and Longman Publishing, food, drink and itobacco; and engineering. However, compared in several joint initiatives to with the national sverage of 29.5 help reduce unemployment and course operated by the Con- restern restension with be

struction Industry Training agreed. Harlow sees this as an Board, and several Manpower Services Commission schemes.

Harlow also has an enterprise families to stay and work in agency sponsored by local employers including Boots and So.000 is needed to help maintain its present level of ser-

vices. The council has always run s
"key workers" policy, providing
housing for people moving into
the area either as a result of new companies setting up in Harlow or bringing special skills to the town. So far, in spite of the loss of new town status, Harlow has managed to maintain this though with in-creasing difficulty owing to government restrictions in coun-cil house construction.

ployees have ready access to medical facilities such as X-ray Airport One way of continuing to build bouses, in spite of the restrctions, has been to cooperate with private huilding companies. For example, the council carried ont a joint project with the Woolwich Building Society where the council provided the land and Woolwich the finance. A similar project is Training is also high on the employers' list. They run an industrial training centre where tronics engineering and woodthe finance. A similar project is under way with Wimpey which is building housing and flats in town. Mr Harry Platt, general mansger of the town council. has expressed its concern that the town. ..

The expansion of Stansted Abroort, only 12 miles away, is seen as a potential asset to Harlow. The council estimates that twill provide between 1,000 and 2,400 jobs for Harlow, either in direct employment or in service industries.



The town centre (above and left) faces strong competition from other towns in the region, although more space is being built and development is encouraged by planners

Stansted should boost market

RETAIL and office development is now actively sought by Harlow. The town has a strong industrial and warehouse market hat has lacked large new initiatives in office development for some time.

Some stimulation to office market is expected with the extension of Stansted Airport and the Mil link road. Both of the town's principal industrial estates will bene-fit from the motorway's northern link and considerstion is being given to the development of n husiness park with a high office

Close to the Harvey Centre shopping complex a site being developed by Sunley Holdings will house C&A and Boots together with 16,000 sq ft of office space. This development will strengthen the town's shops, attracting more out of town visitors, but Harlow does face strong competition from other regional shopping centres in Romford, Chelmsford, Southend and Cambridge as well as London's West.

Property With the decline in the town's manufacturing base, town's manufacturing base, industrial locations have been taken over hy businesses including Queensway, Tems Bnik DIV and MFI. The conneil has two areas dedicated in retail warehousing—the St James Centre at Templefields and Princes Cate—and has carmarked a

Gate—and has carmarked a third centre, so far unspecifled for this type of develop-The town has traditionally had a strong industrial base with more than 700,000 sq ft of industrial and warehousing space. Rents in the area range from £3,75 to £5 for new space, £2.50 to £3 for refarbished space and £2 to £2.50 for un-

modernised space.
Industry in Harlow is located in two main estates. Templefields to the north-east and Pinnactes to the west of the town and in two smaller estates according to the lower space. the town and in two smaller estates associated with the neighbouring centres. Hastemere Estates has recently completed a development of 66,000 mg ft of industrial space at the Pinnacles. Already about 50 per cent of this estate is let and occupied and at least a further 11,000 mg ft is under offer. is under offer.

According to the town planners, there are two more pieces of land-amounting ta about 90 acres—to the north west and south of Pinnacles which are earmarked for industrial development. This land is controlled by the Commission for New Towns which took over the assets of the development. the development corporation in 1980.

We're glad to have helped prepare the ground. Minnows develop in shadow of giants

Electronics

THE ELECTRONICS industry can be said to have grown up with Harlow. Today, more than
If per cent of the town's working population is employed in
this sector with STC, ITT and Cossor Electronics, part of the Raytheon Group, all large em-

Cossor Electronics, in spite of recent falls in business, still employs more than 2,000 people at several sites in Harlow. Its main products are in military IFF (Identification Friend or Foe) radar systems and secondary surveillance radar for civi-lian air traffic control. Recently it has invested 55m in all aspects of computer-aided engineering and is introducing computer control systems which will radically affect the com-pany's production efficiency.

At ITT, too, there are changes in the operation of its organisa-tion. Work has already started on a new 17m office building funded by Norwich Union, which will house employees now scattered in four sites in the town. This building will be ready early next year.

ITT Europe runs its En gineering Support Centre in the town. Its main activities are centred on research into year the Engineering Support Centre dealt mainly with other ITT companies within Europe; now it sees an opportunity to offer Its expertise to outside

An end user division has been set up which will offer ITT's skills in production engineering design and packaging, to help customers market computer-hased products more effectively. ITT will start to market this service more scrively later this

The other major electronics employer is STC which has one of its largest research laboratories in Stevenage. Pioneering work on telecommunications such as development of the optic fibre has been carried out here. The presence of major elec-tronic companies in the area, has encouraged the growth of smaller groups such as Tape Automation. It set up in Harlow four years ago and last year won the Queen's Award far Export Achievement for selling 75 per cent of its production over

per cent of its production over-seas. In 3½ years the number of employees has grown from six to 60 people. Tape Automation specialises in the manufacture of fully automatic equipment for loading video, audio and data tape into cassettes, and high-speed duplication systems. The com-pany's equipment is based on very complicated computer technology and can, for example, load a three-hour video tape into

a cassette in 30 seconds.

A basic, but no less profitable, product is produced by B and R Electrical Products. It makes devices called residual current circuit breakers which are used to protect against fires centred on research into human factors and artificial intelligence plus the development of software design tools, computer-aided design systems and computer-aided documentation and translation. Until this cal circuits, there has been a control of the product of growing demand for circuit hreakers in the US, in EEC countries and the Far East and this has helved B and R hecome one of the leading UK commenies in this field



Where it matters A great place to live and work. In the heart of the Green Belt, just 25 miles from London and 20 minutes from Stansted Right on the M11 corridor with superb access to the M25 and all UK motorways.

That's Harlow. Where it matters. WHERE BUSINESS MATTERS arlow is in the midst of the UK's bigge market, the South East. That's why blue-chip firms like BP, STC, Pitney

Bowes, Gilbey's and Longman's are here, and expanding. Living in the town is a dependable skilled workforce of over 40,000.

Manufacturing and service companies are

here already. Prime commercial sites - at sensible rates - are available right now.

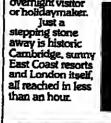






arlow is an open-air sculpture park, set m glorious countryside on the edge of

Epping Forest. It has a first-class theatre two museums - one with an internationally famous cycle collection - quality hotels and restaurants, superb shopping, prime sports facilities like a ski-slope, wind surfing and a giant aqua-slide, in fact everything for the overnight visitor. overnight visitor or holidaymaker.





for details to Bob Bradley Harlow Council.

Terminus House, The High, Harlow, Essex CM20.1UU.

Telephone Harlow 446031. Prestel - Key # 28888#



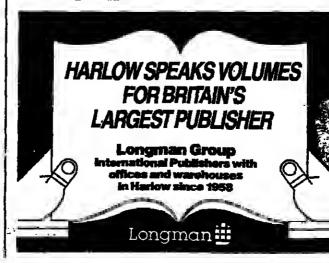
WHERE PEOPLE MATTER

arlow is a town where people come first.
Self-contained neighbourhoods, each with its own character and style, mean

everyone is in walking distance of schools and shops, parks and woodlands.

Harlow is a superbly designed town with cycle ways, wide roads and easy parking acres of open spaces, plenty to see and do. Sports facilities are endless. The vast covered shopping centre has all major stores, there's a bustling outdoor market, community centres and more.





HARLOW 2

Rodin statue in front of the town hall

Flying visits hope

Tourism

HARLOW'S HOPES for a boost to the number of visitors pass-ing through the town are now firmly based on Stansted Air-port. Planners believe that the expansion of Stansted as London's third airport will mean that more people—by accident or design—will make short stays in Harlow.

The council, which drawing up a tourism strategy, sees a market in weekend or short break visitors, Stansted users, speciality sports and special events. Harlow already attracts visitors who come to see this pioneer new town at first hand.

advantages envisages io developing its tourism include a modest gain in employment, better use of the town's extensive leisure facilities and higher occupancy

rates for its hotels.
Harlow already has excellent sports facilities including a ski slope, wind surfing and a cycle stadium. The town has carefully-planned cycle routes and it is surrounded by the

ma.

Rodin, Elizabeth Friok and Gerda Rubensteio are sited about the town centre.

The local authority-run Mark Hall Cycle Museum has a notable collection of machines covering the history of the bicycle from the Hobby Horse of 1818 to the Ordinaries (Penny Farthings) and first Safety cycles of the 1880s up to the present day. There are 65 machines on dis-

play in five galleries, with another 45 in store. The estate, with its three restored walled gardens, is mentioned in the Domesday Book.

The council has just acquired The councir has just acquired the Nettleswellhury Farm complex which includes several listed buildings, among them a tithe barn built by the monks of Waltham Ahbey in the 15th century. The barn is one of the few such buildings still standing in Netteria. ing in Britain.

Various suggestions have been made to put Nettleswell-bury to good use, ranging from creating a sheltered housing scheme, making it the new town's record centre, and opening craft workshops.

and it is surrounded by the green belt.

Harlow also has a large collection of outdoor sculptures. Pieces by Henry Moore, works could be put on show.

GROWING IN HARLOW

With the help of facilities at Harlow Seedbed Centre, these companies had a great start... and have a better future!

Thompsoo MicroSystems Custom end Semicustom Analogue & Digital integrated circuit design: from Ideas to chips. Electronic systems R&D: from sketch to breadboard.

sketch to breadboard.

Harlow Labelling & Packaging Services Ltd.

Designers & Manufacturers of bespoke automatic
Labelling and product handling equipment
(0272) 39080.

Aluminium Auto Frame Applications Ltd.
Maoufacturers of aluminium stiding windows for
earth moviog equipment/caravans/marine
windows and the commercial body building trade. The Seedbed Centre, Harlow Industrial Association Limited, Coldharbour Road, Pinnacles, Harlow, Essex CM19 SAF For further information please ring (0279) 29644

for a rethink

Pressure

HARLOW'S PLANNERS reckon that it is time for a new town cash, the seedbed centre is run-plan. There has not been a for the benefit of tenants. The review of the town's develop-ment since the original outlines who include representatives were drawn up in the 1940s. Irom industry, the council and Now new pressures are forcing its financiers. the town to rethink its future.

Harlow faces dramatic changes in its employment base, a declining population and it is running out of land on which to hulld. On the positive side, it sees oew employment opportunities created by a new M11 link and the expansion of Stansted

One of the New Towns created close to London in the Green Belt, Harlow lies on the border of Essex and Herriordshire, separated from the metropolitan area by Epping Forest which forms part of the green belt. Harlow has a direct link to the M11 at Junction 7 and the is only four miles from and this is only four miles from Junction 8 which connects to the M25. A new link to the M11 to the north of Harlow will give improved access for industrial estates in this part of the

Harlow's master planner, Sir Frederick Gibberd, conceived it. as four large residential areas, each with its own schools, shopping centres, social facilities and sports field, clustered around the main roads to the centre and to the industrial areas—concentrated in two parts of the town.

Planning

Sir Frederick was one of the few architect/planners who lived within the town he created and his widow, Lady Gibberd, is still active in Harlow's cultural activities.

One of the concerns now is Harlow's population decline. The second generation of families in Harlow is drifting away because there are insuffi-cient new houses to encourage

them to stay.

Town planners have estimated that Harlow needs to build more than 5,000 houses in order to maintain the population at about 80,000. Today the number is 76,800.

Pressure is now growing for the town to be allowed to break into the green belt to build up industry and housing estates.

The town, which has carried out nearly all the proposals of Sir Frederick's master plan, has recently applied to the

Boundaries Commission to extend its limits. The council asked for land to the south and east of the town and has been told that the eastern section is likely to be agreed, which will take the boundaries up the M11. Uotil now this land has been administered by Epping Forest

District Council. Harlow Council believes that some of this land could be used to build about 3,500 new homes and help secure the population

Seeds of growth sown

Industry

Providing small companies

with professional services from the outset encouraged them to

run their business on efficient lines, Mr Stalley explains. The success rate of small companies in the seedbed centres is estimated to be three times that of traditional start-up ventures. Bissett Engineering is an example of Mr Hazell's hopes for seedbed tenants. This company is moving into its own

pany is moving into its own premises after a year at the centre. It was set up by seven partners who were made re-dundant from their previous

A SEEDBED centre — a small industrial estate developed for start up ventures—is the latest initiative developed in the Harlow area in an attempt to

create new jobs.

Run by the Harlow Industrial Association, a non-profit making body that ploughs back surplus cash, the seedbed centre is run for the benefit of tenants. The

The £1.5m development was funded by Guardian Royal Exchange and has received aid through an industrial building allowance which provides tax advantages for the develop-

inent.

It is the first fully operational seedbed centre in the country though it was the third to be

built.

In total, there are 55 units oo a 2.5 acre site but some of the units are no larger than a double garage. Completed in November 1984, the centre achieved an 86 per cent occupancy six months later. Some companies have already outgrown the centre and moved into premises of their own. But as Mr Malcolm Hazell, the property developer who conproperty developer who con-ceived the seedhed idea says: "It is part of our philosophy that tenants should leave."

Tenants only need to sign a licence agreement and pay a returnable deposit. Notice for leaving is usually only two

weeks. About 60 per cent of the ten-About 60 per cent of the tenants are start-up companies and
the centre aims to help these
organisations survive. Rather
than simply rent the spaces,
the Harlow industrial association provides a central services
operation within the centre.
Mr Jim Stalley who runs it,
provides book-keeping services,
central mail collection, telex,
computer and conference facilities for the tenants.

created 80 jobs and there is the

concern that the employment base in manufacturing is depromise of a further 50. clining there is still considerable manufacturing activity, ranging from small specialist companies such as Brian Hart, which makes Formula One racing car engines, to large concerns such as Pitney Briang cerns such as Pitney Bowes which manufactures mailing and business machines.

been an important factor in belping Harlow weather the recession. For example, the town has one of Europe's top five ink makers, Lorilleux International, which employs oearly 300 people. Lorilleux's main business is in inks for food packag-

United Glass announced in October that it was investing £2.5m in the expansion of its Harlow glassworks. It is building an automated plant to produce up to 450 tonnes of glass Philiding will be coma day. Building will be com-plete in the middle of this year. Bowman Webber, a leading ties for the tenants.

The centre runs seminars and teachins for the tenants, and fields Industrial Estate to prowill arrange meetings with duce the largest single-sheet

Range aids survival

company. About 80 per cent of its work is metal fabrica-tions for oil rigs. The diversity of business at

the centre is enormous. One

of the largest ventures on the estate is Forest Leathers, a family company which makes

sell for up to £1,000 in the top London stores. The turnover of the company is £500,000 a

A larger in do strial site is now available to which companies can move as they expand. Building work will soon start on an adjacent piece

of land owned by the New Towns Commission. Here larger

premises for sale or longer lease will be built.

fashion leather clothes.

Another £1m investment has been made by Shenval Print. This high quality printer moved to Harlow in 1953. Its husiness is in the production of company literature, including hous-journals, reports and high tech-hology manuals for large com-panies such as Marks and Spen-

cer, BP and Shell.
Its investment is to aid growth in overseas markets, par-ticularly the US. The money will go towards new printing press equipment with com-puterised inking.

Shenval Print believes that the growth of Stansted Airport will help its own expansion overseas and the aim is to double its turnover to £4m in the next two years. Another expanding company in the paper industry is Molnlycke, the industrial paper maker, which has moved into larger premises on Harlow's Templefields estate.

Norwood Partitions, a manufacurer of steel partitions for office, industrial and marine

We are proud to be producing more and more magnificent mailing machines in Harlow.

Pitney Bowes

The Pinnacles, Harlow, Essex CM19 5BD. Telephone 0279 26731

CHURCHGATE MANOR HOTEL

A leading luxury hotel with extensive conference facilities. Convenient access to M11, London and Stansted Airport.

For information contact: David Kidner, General Manager Churchgate Manor Hotel Churchgate Street, Old Harlow, Essex Telephone Harlow 20246

BOWDENS ESTATE AGENTS

Reputations are earned and we are proud of ours THE COMMERCIAL AND PROPERTY DEVELOPMENT AGENTS FOR HARLOW AND STANSTED 5 Northgate End, Bishop's Stortford

(0279) 53067/51122



As from today don't make a move without us.

Just one visit to the new CNT Property Centre gives you a choice of 12 New Towns in one location.

Britain's new CNT Property Centre near London's Piccadilly is now open. So if you're thinking about moving your

business, making an investment or looking for land to develop there are powerful reasons why we should be your first stop.

The CNT Property Centre has more industrial and commercial space, more warehouses and more development land in more places than you believed it possible to find in one location.

But we also help to simplify the selection process by bringing a rare combination of industrial, commercial and governmental experience to bear on your relocation or investment is to telephone particular problem. And that applies whether your company is large or small. The CNT is responsible for the assets you missed.

of 12 mature New Towns up and down the country: all with easy access to motorways and major centres.

They contain prime properties in all sizes. Some to purchase, some to rent. And many have the added advantage of being in intermediate and development areas or an enterprise zone.

So much choice of opportunity, free service and sound advice in one location could save you weeks of trudging round from office-to-office. Not to mention townto-town.

Your first step towards successful James Grafton's office on 01-935 6100. Otherwise you'll always wonder what

Brackpell - Central Lancashire - Corby - Crawley - Harlow - Hatfield - Hempstead - Northampton - Redditch - Skelmersdale - Stevenage - Welwyn Garden City.

Phone 01-935 6100 or write to us at 58 St. James's Street, London SW1A 1LD.

LAIT INTERNATIONAL

From initial concept to ultimate customer - worldwide

As a group of Marketing Companies with Worldwide Manufacturing capacity, we offer unique trading potential and entrepreneurial creativity.

We have our own Bonded Warehouse, Nationwide Distribution System and International Despatch centre.

We currently represent over 100 manufacturing units and we will design, manufacture and market new ranges to your specification in the fields of Leisure Wear, Sports goods, Business Equipment, Office and Domestic Furniture, Sunglasses, and so much more.

Your concept and our skills would make an unbeatable combination.

Please address enquiries to DEAN PITHER - MANAGING DIRECTOR

THE LAIT GROUP OF COMPANIES INCLUDES: Furniture Specialists Philip Lait & Co. Ltd.

Philip Lait (International) Ltd. Metal & Alloy Products Shipping & 70,000 sq. ft. P.L.G. Services Ltd. of Bonded Warehouse International Division P.D.R. Trading Ltd. Daro Typewriters (U.K.) Ltd. Office Equipment Daro (Office Furniture) Ltd. Office Furnishings

Impakt Sports International Ltd. Sports Equipment & Leisure Wear Fashlon from France Ltd. Couture Sunglasses ("Solar") Sudbury Furniture & Finance Ltd. Warehousing & Finance

> Lait International House Horsecroft Road

Telephone: Harlow 29511 Telex: 817354/81142 The Pinnacles Telefax: 0279 33334 Harlow, Essex.

som

THE MANAGEMENT PAGE

Factory automation

An avalanche of change

Nick Garnett discovers turmoil behind the scenes at Jungheinrich in West Germany

THE GLOSSY annual report of Jungheinrich, the West German factory truck maker, includes e Frank Baer, who took over as

of the plant.

This has arisen partly because Jungheinrich, one of Europe's three biggest manufacturers of electrical industrial trucks like forklifts and stackers, has shifted the bulk of its manufacturing to Nor-derstedt from an old plant a few miles away. It has also changed huilding methods, in-troduced three new models and stalled advanced manufacturing systems. The new production methods have in turn forced the company to alter the designs of its basic range of 45 vehicles. It has also rationalised its product line. The 530 fork varia-tions on its powered pallet trucks have been lopped down to a more manageable 110, for

This evaluate of change has almost been too much for the company to digest. Some of it has not been fully synchronised with the move to the new plant and assembly systems are still being ripped apart and re-A series of inevitable delays and computer programming mishaps only compounded a year's halt in the planning stage of the new plant caused over trees on the site.

factory truck maker, includes a photograph of the company's chairman and chief executive spanking new manufacturing this month, is in expansive mood plant at Norderstedt on the about prospects. Speaking to edge of Hamburg. plant at Norderstedt on edge of Hamburg.

Hemmed in by trees, fields and low level housing, it is a picture of neat buildings and orderliness that is expected from western Europe's most powerful manufacturing economy.

What the photograph does not manufactures in France and Spain, had hit lts target of DM 300m next year and was hoping to better DM 1bn within two years after that.

This follows a lackiustre performance in the four years to the manufactures in France and Spain, had hit lts target of DM 300m next year and was hoping to better DM 1bn within two years after that.

This follows a lackiustre performance in the four years to

at around DM 620m. Such a performance would keep Jungheinrich in its place behind the German Linde group and alongside the British manu-facturer Lansing Bagnall in the European electric industrial truck market. In the world league table for industrial trucks headed by Balkancar, Heister and Clark, Jungheinrich ranks ninth, according to the company

The new plant, which came on stream last year and is pro-ducing at the rate of 11,000 vehicles annually, underlines the opportunities and traumas surrounding the iotroduction of advanced manufacturing.
Introducing new assembly lines and equipment like auto-mated electrostatic powder coating was undertaken without too much difficulty even though some of the softwear had a mind of its own. For three months weekends workers were

crawling all over the racking searching for raw material pal-

lets that had gone "Absent without leave." Most of the design changes to adapt the trucks to new manu-facturing techniques are now completed. For example unlike in the old system the new paint-To cap it all the company an-any one piece of metal to be nounced sweeping management finished in more than one changes in the middle of last year with the departure of design of many of the pieces



Frank Baer: masterminding major production changes

build methods are still being apprenticeships and most will put in. It almost looks as if stay with the company. Piecethese changes are an afterwork, which must be accompany thought though the company panied by right production containing. denies this. trol and investment in training, The programme is under the direction of Dr Eckart Kotthas been all but abandoned by great chunks of British manukamp, board member for tech-nical development recruited facturing industry.

Each department at Junghein-

pnter and replacing the present more isolated materials

flow system. This will help further to reduce inventories

which, though much lower than

they were, are still too high-

up to three months' stocks of

Jungheinrich does show though is that in West German manu-

facturing reorganisation of the

workforce travels at a much

slower pace. No rush here to

so-called Japanese practices other than the just-in-time

hased on consensus with the union, IG Metall, incentive

piecework on the tried and

trusted West German model and a strong commitment to train-

philosophy.

rich must regularly report on how it is tackling problems from Bosch four years ago. Kottkamp is pulling the company towards more modular building with chunks of each truck built at fixed stations, or arising on the line, and groups of four and five people discuss possible improvements as they always have done, hnt there are function " cells. Such cells will now such things as quality materials through VDU ter-minals linked to a central com-

Norderstedt still uses a separate quality control work-force of 100 people. Machinists have to rectify mistakes in their own time. The national piecework system in which companies and their union representatives agree standard times for all nieces of work is still in full

roller bearings for example. nieces
Many of these transformations are mirrored at Jungheinrich's competitors. What works This system, Refa, provides workers with an everage 40 to 50 per cent extra pay on top of rates. An average machine operator earns in total about DM 18 an hour (£200 a week). The pace of work seems no higher than in British plants and a good deal slower than in some. "Rythmic to slow" was The continuity in labour or- how one German manager ganisation so common in most describes it. "Working well is German manufacturers is a fac-working efficiently, not necesworking efficiently, not neces tor here. At Jungheinrich it is sarily quickly."
hased on consensus with the Labour organisation is not union, IG Metall, incentive static, however. Gunther

Dytert, the production planning senior executives, Klaus Rosenk-making up the metal frames of a strong commitment to trainuse of quality self supervision. ranz and Wakter Grauert, to be the trucks where two colours ing. At any one time in the in typical German orderliness replaced by two men whose are used. Some of the welding Norderstedt plant, which emand authority this is marked by wives each own half of the compoints have-had to be shifted. ploys: 1,500, 60 young men and the issuing of quality stampers pany.

But, sweeping 'alterations' in women are on full three-year to selected workers. director, is encouraging greater use of quality self supervision.

Business COURSES

Getting into America: US Vis Law and procedures, London February 27. Fee: \$201.25 Details from Miss J. K. Van Wyeks, Seminar Division Crown Eagle Communications Vernon House, Sicilian Avenue London WCLA 2QT, Tel: 01-342 4111. Telex: 896827 (ref 1202). Business Statistics, Berkshire. March 10. Fee: L.M. Members £255, Non members £300 + VAT. Details from IM Marketing Training, Moor Hall, Cookham, Maidenhead, Berks SL6 9QH

Maidenhead, Berks SL6 9QH.
Tel: 06285 24922 ext 29.
Corporate planning in practice,
Bradford. March 10-14. Fee:
6625. Details from course
secretary. The Bradford
Management Centre, Reighley
Road, Bradford, West Yorkshire
BD9 4JU. Tel: 0274 42299.
Telex: 51309 UBIBFD G.
Problem solving in industrial
marketing, Lucerne, Switzerland. February 26-28. Fee:
(single room) ESOMAR members SFr 1,360. Details from
ESOMAR Central Secretariat,
J. J. Viottastrast 29, 1071 JP
Amsterdam, The Netherlands.
Tel: 020 64-21-41, Telex: 18535
ESMAR NL.

ESMAR NL.
Professional skills for trainers, Brussels. March 4-7. Fee: Non-members BFr 75,000; Members (AMA/I) BFr 73,000; members (AMA/I) BFr 68,000. Details from Management Centre Europe, rue Caroly 15, B-1040 Brussels, Tel: 21,917.

Intellectual property, London.
March 18-19. Fee: £431.25.
Details from Miss J. K. Van
Wycks, Seminar Division, Crown Eagle Communications, Vernon House, Sicilian Avenue, London WCIA 2QT. Tel: 01-242 4111. Telex: 896827 (ref 1202).

differences: an introduction to the Myers-Briggs type indicator, Oxbridge. March 24-25. Fee: £295. Details from the Secre-tary, Management Programme, Brimel University, Uxbridge, Middlesex UBS 3PH. Tel.: 0895 56461 ext 215.

Drafting heads of agreement London. March 4. Fee: ESC Members £147.20; non-members Details from Euro-Study Conferences, £172.50. Study Kirby House, 31 High Street East. Uppingham, Rutland, Leicestershire LE15 9PY. Tel.: 0572 822711. Telex: 341352

Cable television and satellite broadcasting, London. March 45. Fee: £540.50. Details from the Financial Times Conference Organisation, Cable Television is acknowledged by example, and Satellite Broadcasting Conference, Minster House, Arthur the case, But its importance is Street, London ECAR 9AX. Tel.: self-evident in products that 01-821 1355. Telex: 27347 feel right, look good, declare FTCONF G.

'Its importance is self-evident in products that feel right'

Norman Sanson reviews a book about a potent element of marketing

THE concepts of "design" and who is intended to buy, in their marketing" have a lot in ommon. There are probably as nany definitions of each as there are people ettempting to define them; most businessmen would ecknowledge their importance to the process of creating and delivering value in a pro-duct or service: most academics and commentators would assert that the concepts are either misunderstood by or completely missing from an uncomfortably large proportion of companies, especially British ones; and practitioners of both arts tend to think that theirs is the most vital contribution to their com-

pany's performance. But there are also differences Theory about "marketing" abounds from the popularisation of the notion by Theodore Tevitt's article Marketine Myonia, through the welter of publications about technical aids o more effective marketing to globalisation of merkets. In practice, "marketing" can mean many different things to fancy word for selling; it can mean a technical competence; or it can describe e philosophical epproach to doing busin it can mean a hollow, mechanle cal ritual, played to the tune of "We are a marketing company," when the company has lost touch with changing realities in its markets; or it can represent an attitude of mind that imbues a whole reorganisation with the desire to see and think about products and services—and op-

portunities to create new ones —in terms of customers' and consumers' needs, wants, values, aspirations, expectations, limitations, babits and behaviour. There is, on the other hand, not much theory about industrial design—not much, et any rate, that has been popularised and therefore passed into the businessman's vocabulary, as the jargon of marketing theory has done. "Design" remains a specialist art practised by ex-perts, usually in isolation of e company's other imaginative creative and productive pro-cesses. Good industrial design is acknowledged by example.

In The Design Dimension*. Christopher Lorenz makes e valuable contribution to building understanding of what "marketing" is or can be, and to highlighting the potency of effective, imaginative design in the process of defining and creating products and services. It is not simply a book about design, although it is illuminating in the case histories which provide its core—studies of some outstanding examples of the use of industrial design and designers in a central, rather than peripheral, role in product

development. It is also e book merits of a meticulously balmerits of a mericulously out-anced approach to harnessing technology, engineering skills, design imagination and practi-cality, production capability and chief executives from top British companies tomorrow take part in a Design Commitment Conference" organised by Mrs

Thatcher's government to promote the use of design in industry. The government, which has been promoting design forcefully since 1982. has billed it as "the most important design event for four years." One of the speakers will be the FT's Management Editor, author of the book reviewed here.

a well founded understanding of customers and consumers into a consistent market

place offering. Lorenz explores and minates a number of well dis-cussed but all too rarely acted · Marketing as an attitude of

the difference between a market themes are cortainly important focused company, and a market enough to warrant not just ing driven organisation. • The integrative role of

marketing, concerned with simultaneously (rather than sequentially) harnessing a company's total resources of intellect, imagination and

physical assets towards profithly meeting e defined market opportunity.

The "tokenism" of many Western companies in their practice of marketing principles, compared with the more fundamentalist, comprehensively market focused approach of Japanese companics.

· The Increasing importance of The increasing importance of effective marketing, and offective marketing, and offective use of design as a crucial component in identifying and addressing market needs, as globalisation — to greater or lesser degree — characterises more end more industries.

But the heart of the hear line

But the heart of the book lies

But the heart of the book lies in a persuasive presentation of the importance of industrial design and the potency of the contribution that can be made by the designers. The book includes e brief history of the development of the designer's role, and highlights, in its several case histories the several case histories, the different benefits that good design can yield — speed of initiative in Philips: consumer appeal in products where tech-nological superiority clone is unlikely to win, as he ergues in the case of Sony; function-ality enhancement in Ford cars and Baker Perkins machinery. A couple of minor quibbles the architects of market-led (or, at least, consumer-oriented) companies like Procter and Gamble in the US or Rowntree Mackintonn in the UK might take issue with the notion that take issue with the notion that marketing was "Invented" in 1960 when it was promulgated in Marketing Myopia, since such companies were seasoned practitioners by then. And the design case histories would have been even more illuminating had they offered a bit more insight into the organisational contexts or corporate traditions which encouraged or acquiesced in the emergence of designers with highly influential mage.

Notwithstanding mind, pervading e wholo organ-isation, rather than 25 a sion makes an appetising, specialist functional activity: satisfying read. Its central designers and marketeers reading it; this is a book that should be read by top management. *Basil Blackwell, ISBN 0-631-13747-5. Norman Sanson is a director of McKinsey & Co.

Own land in the great American West

America. More than two hundred years old and still waiting for many people to claim their share of it. For themselves and for the future of their families. Imagine one of the most beautiful landscapes in the world and what it could mean to have part of it for your own

the second second of the second secon

hat more perfect way to stake your claim than by purchasing five glorious acres in the Colorado Rockies for yourself and those you love. At Sangre de Cristo Ranches you can still own a sizable piece of America at a very modest cost and on easy credit terms. This is scenic land in one of the fastest-growing states in the USA, a piece of the unspoiled, romantic old Southwest.

Sangre de Cristo Ranches is a subsidiary of Forbes Inc., publishers of the highly respected American business and financial publication. FORBES MAGAZINE. The land being offered for sale to you is a part of the huge 258,000-acre Forbes Trinchera Ranch, one of the oldest of the remaining big ranches in America. A sportsmen's paradise in all seasons for hunting, fishing, riding, hiking and boating. With fine skiing less than 50 miles away, the ranch ranks among the world's best-known preserves for deer, elk, game birds and other wildlife.

You can own majestic mountain views of Trinchera Peak and Mount Blanca (higher than Pikes Peak) which stand as silent sentinels protecting the rolling foothills and

valley that make up our Sangre de Cristo Ranches.

The land lies about 200 miles southwest of Denver, just east of US Route 160 . . . the Navajo Trail. Its town is historic Fort Garland, the last command of Kit Carson.

For as little as \$4,500 total cash price you can purchase your own 5-acre Sangre de Cristo Ranch, with payments as low as \$45

Important money-back and exchange privileges backed by Forbes Magazine's distinguished reputation have contributed much to the great success of this unusual land offering.

Five or more acres of this land can be yours. terms available.

For complete details on this wonderful opportunity. without obligation, please fill in and mail coupon today.

FORBES EUROPE P.O. BOX 86

LONDON SW11 3UT ENGLAND

Obtain the Property Report required by Federal law and read it before signing anything. No Federal agency has judged the ments or valua, if any, of this property. Equal Credit and Housing Opportunity

THE 1986 USM EXHIBITION

An exhibition devoted entirely to the promotion of the **UNLISTED SECURITIES MARKET**

Tuesday, 4 and Wednesday, 5 March 1986 (10am - 7pm) (10am - 4pm)

The Brewery, Chiswell Street, London EC1

The Unlisted Securities Market is one of the great success stories of the London Stock Exchange. Established in 1980 it has provided the opportunity for over 300 companies to achieve a public flotation over the past few years - companies which would not have been eligible to go onto the full Stock Exchange and which are mainly in the growth areas so vital to Britain's economic recovery. It is now one of the biggest sources of equity capital for small businesses in the United Kingdom.

Sponsored by: The Mail on Sunday Investors Chronicle The USM/OTC Review

Organised by FIBEX. For information about stand booking please contact Elizabeth Comelius 01-493 0000

A one-day conference: 'The USM; Surviving The Big Bang' will also be held at The Brewery, on 5 March. Leading experts will examine the implications of this autumn's Big Bang for the USM. ... Tickets cost £150 (+ VAT) - details from Christine Rickards on 01-493 000.

The USM exhibition will give private and professional investors, and businessmen the opportunity of finding out all about investing in the USM and handling a USM flotation.

Exhibitors include USM companies, top accountants, brokers and merchant bankers.

Make sure you don't miss this important <u>event.</u>

... COMPLIMENTARY TICKET.

To Visit The 1986 USM Exhibition Sponsored by The Mail on Sunday, Investors Chronicle, The USM/OTC Review at The Brewery, Chiswell Street London EC1

Open Tuesday 4 and Wednesday 5 March (10am-7pm)

Please complete and hand in at the door)



والمرابعة المرابع والمرابعة والمنطورة المدرية والمرابع والمرابعة والمرابعة والمنطقة



Architecture/Gillian Darley

National Gallery extension in best possible hands

ing in depth and visiting buildings, at home and abroad. Vinings, at home and abroad. Vindication for its approach, which was concentrated upon the selection of an architect, rather than a specific design, is clear in its choice. Whilst the unhappy vacillation and bitterness that dogged the earlier atages of the scheme for a National Gallery extension seemed to be reflected in the architectural reflected in the architectural outcome, this time the stage seeems set for a far happier

Venturi is well known in architectural circles but comarchitectural circles but compared to, say, Michael Graves, with whom he is bracketed as a post-modernist, he is not widely known, at least in Britain. Nevertheless, in 1960 match that of its neighbour) be built the North Penn Visiting and the facing material, Porturess Association headquarters, aince then labelled as the public building standards, small fact next-modern headquarters. first post-modern building. Hera be showed his irreligious view of the modern movement and public areas in addition bis approach to historic motifs new permanent galleries.

and understanding of the city are evident in his work. In 1972-76 he designed Franklin Conrt, Philadelphia, a memortal garden set within the metal frame of the old Franklin Mansion. Ingenious feeting and sion. Ingenious, festive and

celebratory it shows him at his light hearted best.
In terms of the National Gallery commission (now sborn of office content through the generosity of the three Sains-bury brolhera who have given an almost open-ended financial gift for the scheme) it was the rombination of the institution, the location and the collection

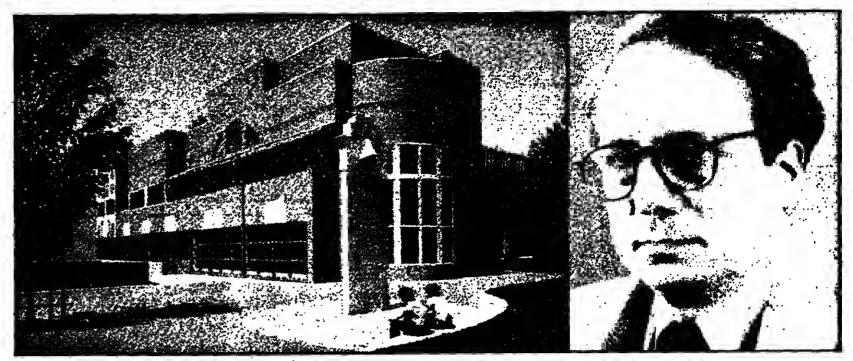
-some 20,000 sq ft into which will gn various education and public areas in addition to the

At best the architect for the National Gallery extension has been chosen. He is Robert Venturi, of Ventori Rauch and Scott Brown from Philadelphia. Despite charges of xenophobia by the second placed architects in the ill-starred 1982 competition. Skidmore Owings and Merill, nationality seems to have had no bearing here.

The aelection committee bas worked hard in the nine months at its disposal, first short-listing six architects from 30, and in the last three months interviewing in depth and visiting build
Mis work has been hard to pigeon-hole, constantly diverse, solly of art galleries. Two are strongly detailed and showing under construction (Seattle and Austin) while the Allen Art Museum at Oberlin College architectural history cupboard. Never a man for platitudes, he simply responded on Friday to libe announcement of bis victory with the words "I am the happiest architects from 30, and in the last three months interviewing in depth and visiting buildstonework. In the 1950s Venturi worked

haps the greatest designer of art gallerlea in the 20th century. In his graceful acceptance of the commission Venturi quoted Kahn: "A good building needs a good client." After so much turmoil in the After so much turmoil in the past, it seems as if the selection committees under the chairmanship of Jacob Rothschild has lived up to that description. Venturi is an architect who has received second commissions from clients and that speaks of his ability to where the process of

The National Gallery extension looks in the hest possible hands; a client committee (and not an architect among them) which bas carried out its jeb with thoroughness and commitment (Venturi's words), and the result of an architect who —albeit not too successfully. In Venturi's large corpus of may very well be the best man From the 1960s until the present work there are many univer-



Robert Venturi (right), the American architect selected to design the extension to the National Gallery, and a recent example of his contextual style of architecture at Princeton University.

Podrecca opens new gallery for thinking architects

description. Venturi is an architect: who has received second commissions from clients and that speaks of his ability to share the process of design—though he has clearly never been coerced.

The Mational Gallery extension looks in the hest possible ahow the work of the uninting architects currently practizing in Europe and America. Until February 7 it is ablowing the work of a fascinating contemporary Viennese architect, as yet unknown in this country,

shop.

I do not think that the work

in Europe and America. Until
February 7 it la ahowing the
work of a fascinating contemporary Viennese architect,
as yet unknown in this country,
Boris Podrecca.
Podrecca is 46 years old,
which is young for an architect.

least as far as the public is concerned, by the curiously dense architectural prose that so often accompanies these dis-

plays.

Tha experiments are always of the work of that maverick of the work of that maverick progenitor of the Arts and Crafts movement, Charles Robert Ashbee, always for some reason known as C. R. Ashbee. Until February 22 there is a well selected show of his archihia furniture. tectural work as well as an account of the Guild of Handlcraft which he founded in London but moved to Chipping

Camden in the Cotswolds.
Ashbee was born in 1863 and A visit to the gallery could be is as famous for being a country be combined with a walk to the RIBA Heinz Gallery where there is an excellent show architect and designer. His

jeweller is well known and there are some lovely examples of his "jewels for art" as well as two magnificent examples of

Tha exhibition has the authority of being organised by authority of being organised by
Alan Crawford, the author of
the recent magnificent biography of Ashbee by Alan
Crawford (Yale University
Press, £35]. It includes wonderful drawings and photographs
of Ashbee's work in Jerusalem

Colin Amery

A Journey to London/Orange Tree, Richmond

Michael Coveney

Vanbrugh'a A Journey to London was a four-act fragment abandoned by the author but loosely Edwardian costume is revamped, restructured and seemically inadequate; and the characters do not speak in by Colly Cliber in 1728 as The Provok'd Husband. Clibber had a huge hit, but in making the unruly plot lines cobere and in flattening ont many of the most distinctive scenes and lubricious innuendo — as well as the ripe splendour of the gentless in the ripe splendour of the gentless is plain dim.

Wortney

to the capital'a temptations.

Following Cibber's example, (Chris Tranchell) emotions from his best friend's infatus to the plantst Diana Ambache and the violinist Adrian Levine (Introduction in his wife. The friend, sir Charles (John Hudson), is finally drawn to Martilla who by the rakish Colonel Courtly by the rakish Colonel Courtly base been "under instruction in reality" after an engaging moonlit masked ball sequence that is fraught with ennul and second with Anoulib.

I enjoyed the theirering classical period "(Hough first and in Saunders of the young in that is fraught with ennul and second violins are uncleased by the argument for liberty, is plain dim.

Vanhrugh hreaks off in the margument for liberty, is content by Saunders Corange twee, actors sidling into other). cious innuendo — as well as the ripe splendour of the descriptive language and incleents such as the disastrous coach trip to the theatre — he did Vanbrugh as disservice.

James Saunders prepared this version for Greenwich some

the ripe splendour of the descriptive language and includents such as the disastrous coach trip to the theatre—he did Vanbrugh as disservice.

James Saunders prepared this version for Greenwich some years ago: he gives us about 40 minutes of compressed Vanbrugh and twice as much of himself. These proportions are not ideal, nor does Sam Wallers' production bit an even or convincing tone. There are

other).
In the opening Haydn Sur-prise Symphony, the firm string

Max Loppert

Ambache Ensemble/Elizabeth Hall

Chamber jointly by immediately apparent. There were never any ibreats or affective arrange on freely, and with a good deal of freelance of the work—real Haydn of the work—real Haydn of the work—real Haydn of the work—real Haydn of the work—real hough first sare unggether, not Miss Ambache produces a specific of the ensemble was concernos in such awe.

There were ensemble was crisply forward, with an Six, in which the qualities of all the participants were best that, and it was detailed by more than a few lively, imaginative turns of phrase, notably in the Rondo. The larger view of a large work, the structural underpinning that a conductor can help to ensure, was not to be had; the "breadth and rhythmic spring and bite were lacking, particularly on the bass line. But the tone was certainly attractive:

Miss Ambache produces a sine with an arising forward, with an Six, in which the qualities of all the participants were best that, and it was detailed by more than a few lively, imaginative turns of phrase, notably in the Rondo. The larger view of a large work, the structural underpinning that a conductor can help to ensure, was not to be had; the "breadth and polyphony, can breeze along as brightly as on this occasion it managed to. It is all manner and no substance. But the tone was certainly attractive:

Miss Ambache produces a size of the participants were best all the participants all the participants all the participants were best all the participants all the participa

brittle sound on the piano, struck terms, were toned down, delivered by Mark Bennelt, which she lorned to account in In between Haydn and Mozart makes a specially spiriled the Mozart C major Concerio, came a novelty, from the least effect), and so the trick is the Mozart C major Concerio, came a novelty, from the least effect).

K503—the performance moved often-revived member of Les turned

tractive:

nature hymned in Girdle and no substance. But the manner is charming (a high, Miss Ambache produces a piano concerlos in such awe thick she torned to account to the piano, struck terms, were toned described to account to the piano.

Baudo and Ousset/Festival Hall

Max Loppert

China National Metals & Minerals I/E Corp..

Zhejiang Branch

The invasion of the London shine, to feel and communicate over-exuberance in the brass), Debussy's carefully graded purices scene by French con with native directness Bizet's nothing banged or strained; tempo modifications, but comusical scene by French conductors and French pianists playing French music continued on Thursday, to our good for- of flecked details at one or two tune. Serge Baudo, an infrequent but welcome visitor to South Bank and the London Philharmonie Orchestra nave formed a rewarding partner-ship; for the Berlioz Beotrice and Benedict Overture, and noticably in its deliclously im-pudent sneak-in of an opening phrase, it was a partnership not yet quite steeled in every parti-

ECT

with native directness Bizet's extraordinary combination of format perfection and lyrical warmth. There were a bandful moments of special vivacity, yet the main lines of the music stayed firm, while in the An-dante the support for the excel-lent first oboe (Gordon Hunt) was finely judged to allow spontaneously individual phrase-shaping without letting the momentum go soft or soggy.

The pianist in the Ravel G major Concerto, Cécile Ousset. pbrase, it was a partnership not yet quite steeled in every particular. But then, for the second work on the programme, Blzet's Symphony in C. things came together—brightly and, at times, quite brilliantly.

Baudo is a sontherner: he seems to understand, inatinctively, the many ways of infusing the Allegro two string phrases with laughter and sun-

perhaps a shade loose with concert.

nothing banged or strained; tempo modifications, but co-the playing was both cool and ordinated with sufficiently pre-warm, limpid and loving. A clse ensemble to bring off such-full-throat account of LaMer— licence—closed an enjoyable licence-closed an enjoyable

The Borodin quartet from bouses to bost concerts include Russia, the Alban Berg quartet Clandon Park, Stourhead, from Vienna, and the French Dyrham Park, and Osterley pianist Cecile Ousset are among the performers at the The established series of

Music in style

among the performers at the 1986 National Trust concerts

country house concerts, Stately Homes Music, sponsored by Lufthansa, may not go ahead this year because of a £50,000 deficit built up in 1985. Ten

ful to their director. Odaline de la Martinez for taking chances, but this is a score to be opened and hastily closed.

We were due to get Leoo Biriotti's whole new oboe con-Birioti's whole new oboe con-certo for himself, but in the event he performed just the cadenza: first only on the detached reed (pletcing wails), then on the whole instrument (with a labulous display of then on two instruments at once, and concluded with ruminative reed-noises blown was appealing as well as aston-

David Murray Some Lontano programmes This concert belonged to "corronach" of beldams, Sack- like an "effect" proves to be

Lontano/St. John's, Smith Square

a solo oboe, which ought to have been enough — ond a plain disaster. That was Guillermo Rendon's Serkon the expert Lonfano players lkola, an amateurish exercise in exidently enjoy it as much as exotica, which to their credit Lonfano played with no conviction at all.

I suppose we should be grate. academic of cut.

There is more than whiff of Berg about them (which is a virtue) and Lieberson is generous with rewarding solos for everybody involved (piano, percussion. and quartets of winds and stringal. Further bearing abould discover many original subtelties.

There was one première:
Nicholas Sackman's Corranach,

inspired by an anecdote in smollett's Humphrey Clinker, it proved to be a splendid joke—and not merely jokey. The scene is a drunken funeral with pipers, and a final oration punctuated by bowls from a

are more mysterious than Lontano's "Americas" series, man conjures it up in four a strictly functional bit of the others. Their cheerful concert and besides the aforementioned continuous sections, as ingeni-jewelled watch-work, and there

others. Their cheerful concert and besides the aforementioned on .Thursday included three South American music there excellent recent pleces besides a very Elliott Carter's Triple Duo and Peter Lieberson's Lolifa to exbibition number for (and by) a solo oboe, which ought to have been enough — ond a plain disaster. That was a repertoire piece already, and plain disaster. That was the every Loniano placers of the sounds of this usual constructive another edgem.

continuous sections, as Ingenigewelled walch-work, and there ously comic as they are quirkly are strong passacaglia-like underpinnings. Another rehersal might have achieved still and the general woozy inebriation. Yet be sacrifices nothing of his usual constructive products Corranach is clearly another edd gem.

Endymion Ensemble/Purcell Room

Richard Fairman

A living composer on an limits the composer has proupward path is a pleasure to scribed. (Bainbridge has said encounter. Thursday's concert at the Purcell Room was "minimalism," but his music comes within hailing distance Bainbridge and it gave us the chance to sample a small thandful of his works ranging same kind.

With Three Planters for hass chance to sample a small more playful example of the handful of his works ranging from those of his student days in the early 1960s to Three Players, which was written in the autumn of last year.

Even the earlier pieces are

interesting enumeria for a chamber group auch is found in the Wind Quintet (1971) already suggests a composer's ear that is becoming finely tuned to original textures and sounds. But it is with the works of the late 1970s that a stronger quality emerges: from works of the late 1970s that a stronger quality emerges: from the look of his scores, like the near-identical packs of semi-quavers scramhling across the in the Concertonte, must awil to read, le

Even the earlier pieces are interesting enough. Writing for a chamber group auch as is found in the Wind Quintet quite short and it would be

within a strict scale of time and tonality. Small ideas repeat over and over with exuberant energy and the fascination of the music is in seeing them grow and change within the mass them a devil to read, let alone play. But the Endymion Ensemble gave each of them with plenty of zest and Nicholas Daniel proved to be a virtuoso soloist in the two works for oboe.

Rattle/Barbican Hall

Murail (who also played the ondes Martenot in Turongolila). Murail's Time and Again (specially commissioned for the

CBSO by the Feeney Trust) is in essence 17‡ minutes of clever Martentot with the orchestra sound-effect music drawn from was, for the first time in my a well-stocked sketchbook of experience exactly right splen-

structure, attractive design, exquisite workmanship and standard specification. They are well received both at home and abroad.

Please contact us today for further information.

Orders for processing supplied materials, processing to supplied samples or under clients' brand names are also welcome.

We export various metal products including Steel Products, Iron Wire, Nails, Woodscrews, Door Locks, Hinges, Tower Bolts, Brass Valves, Bib Cocks, various kinds of Fasteners and Cast Iron products.

Made of fine, selected materials, they are of excellent quality and feature solid



the standard continues to the control of the contro

China National Metals & Minerals I/E Corp., Zhejiang Branch 231, Baoshu Rd, Hangzhou, China Cable: "MINMETALS" Hangzhou Telex: 35027 MIMET CN Tel: 23953

Arts Guide

Jan 24-30

Music

cademy of Ancient Music, with Em-ma Kirkhy, soprano. Vivaldi and Händel. Queen Bizzbeth Hall (Mon). (\$233191). ouis Demetrius Alvanis, piano: Bach, (Mon). (9283191):
Louis Demetrius Alvanis, piano: Bach,
Beethoven and Chopin. Queen Elizabeth Hall (Tue).
Loudon Philharmonic Orchestra, conducted by Serge Baudo, with Ida
Händel, violin. Berlioz, Sibelius and
Brahms. Royal Festival Hall (Tue).
(9283191).

(928 3191).

Orchestra Coloune, conducted by Pierra Dervaux, with Abdel Rab-man, El Bacha: Stravinsky, El Khoury, Ravel, Bartôk (Mon). Salle Pleyel (4501.0630). José Van Dam, bass; Anne Pareuil, mezzosoprano; Anne-Marie Fon-taine, piano: Giuck, Tchaikowsky, Mozart, Mussorgaky (Mon 5.30pm) TMP-Châtelet (42334444). Vlado Parlemuter, piano Bsch, Beet-hoven, Ravel (Mon). Théstre des Champs Elysées (47224777).

ITALY

Rome: Auditorium in via Della Concillazione: Soprano Rosalind Plow-right. Webern, Strauss and Bruckner, conducted by Gustav Kuhn (Mon and Tue). (654 1044). Rome: Testro Olimpico: Piazza Gen-tile da Fabriano: Antonio Meneses, cello; Franz Massinger, plano. Beet-hoven, Strauss and Chopin (Wed), (393304). rence: Teatro Comunale: mezzosoo-Florence: Teatro Comunale: mezzo rano Teresa Berganza accompar

by Juan Antonio Alvarez Parejo. Vivakii, Brahms, Granados and Braga (Tue). (277 9235).

NETHERLANDS

Rotterdam, De Doelen. Recital Hall: Emmy Verhey, violin, and Youri Egorov, piano. Schubert (Wed); Isa-belle van Keulen, violin; Mathias Weber, piano. Beethoven, Janacek, Brahms (Thur). (14291t). SPAIN

Madrid, Midday concert (Mon). San Telmo Foundation Trio. Beethoven and Schumann; French Baroque Cy-cle: concert by José Miguel Moreno. Baroque Lute (Wed). Fundacion March, Castello T7 (4354248). Valencia, 1988 season: St Martin-in-the-Fields. Teatro Principal, Bar-cas 15, Valencia (3510051). (Tue).

New York Philharmonic (Avery Fisher Hall): Erich Leinsdorf conducting; Walter Klien, piano. Schoenberg, Stravinsky, Dvořak (Tue): Erich Leinsdorf conducting. Brahms, Mar-timu, Stravinsky, Berlioz (Thur). Lincoln Center (874/2424).

WASHINGTON National Symphony (Concert Hall): Klaus Tennstedt conducting, Wag-ner, Beethoven (Tue); Yoel Levi, conducting, Barber, Schoenberg, Saint-Saens (Thur), Kennedy Center (254 3778).

CHICAGO

Chicago Symphony (Orchestra Hall): Sir Georg Solti conducting. Weber, Rochberg, Schumann (Thur). (4358122).

Dominic Gill

Symphony Orchestra's concert under Simon Rattle on Thursday was devoted principally to a magnificent performance of a magnificent performance of ebullient, no-nonsense ecstasy. Messiaen's Turangalila symphony; but that was introduced by the first London performance of a new work by the young French composer Tristan Murail (who also played the was the more immediate and was the more immediate and the more affecting for being proposed in such simple, trans-lucent and absolutely unsugared accents.
The balance of the ondes

orchestral effects (the score didly, peachily audible in all of includes a large persussion its subtler, quieter sonorities section and an important role and counterpoints (notably in for a Yamaha DX7 synthesiser). the Joie du sang and the The order in which the sequence Development de l'omour, is sewn together does not seem where it is usually swamped). to be strictly relevant; more Peter Donohoe was the aplendid interesting is the linking and solo planist, with a big tone, dovetailing of the various knife-edge key descent. The sections, which Murail does with finale, also for the first time in considerable virtuosity. It is an my experience, was never in the odd, intriguing piece, given with least sanctimonious. not

FINANCIALTIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Monday January 27 1986

The bunker mentality

no other practical course is available to her. One more prevarication, one more refusal to deal with the facts, would undermine the British Govern-meot's credibility to the point

Two sets of questions have to be dealt with. The first is how the Prime Minister's office came to connive with the Department of Trade and Industry to leak the Industry to leak the confidential letter from the Solicitor-General to Mr Micbael Hoseltine, then Defence Sec-retary, without Mrs Thatcher knowing much, or anything, about what was going on.
Possibly she did know. The charge is quite serious.

The second concerns when the Prime Minister knew that the matter had been mishandled in the way it was. On the face of it, it seems extraordinary that it should have needed an inquiry by Sir Robert Armstrong, Cabinet Secretary, to tell her what was happening in her own office and between government departments, especially on a subject that had already hecome so sensitive. A few telephone calls, a few face to face conversations, might have revealed all within hours.

Senior figure

No doubt Mrs Thatcher will seek to give honest and detailed answers in the House of Commons today. She bas no choice, and it would be uncharacteristic of ber to do otherwise. Yet it is heginning to look as if the best possible excuse thet can be put up is that the Government was simply incompetent. There was no conspiracy, no great lack of inlegrity, just a straightforward, though monumental.

That may be bonest. But it is not very impressive. The Prime Minister may well bave hed other things on her mind: the oil price, the Middle East, law and order, for examples, Prime ministers always do. It is the mark of good govern-ments that the machine goes on working. In this case it did

MRS THATCHER said on It was not very impressive television yesterday that she either for Mr Douglas Hurd, the will answer the outstanding Home Secretary, to say on telequestions arising from the Westland affair in the emergency debate in the House of Commons this afternoon. She will be right to do so. Indeed no other practical course is available to her. One more prevarication, one more refusal remains the same of the force refusal remains the same of the force refusal remains the same of the force refusal remains the same of the seemed remote from events. In the past, senior ministers would have given a private warning when the Prime Minister was in trouble. This procedure does not seem to apply very much under Mrs Thatcher.

Uncertain touch

It is also not very reassuring that the successor to Mr Leon Brittan at Trade and Industry should be Mr Paul Channon Mr Channon's appointment bas the merit of convenience in that it will limit ministerial changes to a minimum because he was already at the department as Trade Minister. If be has the ability to master a covartment that has caused decessors, Tory and Labour alike, it has yet to become apparent. Nor does he have much sparkle to add to the Government's main line of attack. It is becoming increasingly ohvious that some of the people on the Tory hack benches are rather better known to the public than those on the front,

There is a touch of the hunker mentality in all this. A Prime Minister who in many ways has changed the whole ground of British politics over the years, and even dragged the opposition parties in ber direction, suddenly becomes uncertain of her touch.

Mrs Thatcher can recover. She seemed very chastened in ber television interview yesterday, stressing the need for cabinet government and claiming that it had been made impossible by the refusal of one man—Mr Heseltine—to play with the team. It was not altogether clear that there was a team to start with: more a group of factions and ad hoc

If she does well in the Commons today, she can start rebuilding the fortunes of what has become a very battered administration. It will take time and will need a new style of leadership that takes ber colleagues with ber but it could

Fair share for employees

AN UNUSUAL degree of political consensus bas been as the tax breaks can be easily developing over the past decade abused and the more general in support of employee share

The Conservative party and its backers in industry bave abandoned their scepticism about the interest or willingness of workers to exercise their ownership and decision-making rights. Particularly since the 1983 election, the Government has included employee share will introduce them without ownership in its vision of a "property-owning democracy." The Liberal Party has long been an enthusiastic advocate and was responsible for the introduction of the first employee scheme with tax incentives in 1978.

Even the Labour Party, which supported the 1978 scheme, has shed some of its traditional suspicion of such forms of collaboration with capital. For many on the right of the party, employee share schemes and co-operative ventures have replaced the centralised and monolithic nationalised indus-tries as the model of industrial ownership.

Messrs Keith Bradley and Alan Gelh in a Public Policy Centre study diacussed in the Financial Times last week and published today add to the rising eothusiasm with acadamic cvidence that employee share ownership boosts the motivation and productivity of the workforre.

They demonstrate however that employee share ownership in the UK lags behind several other major industrialised countries.

Easily abused

Of greater practical relevance are the employee share schemes encouraged by tax concesssions. The Employee Stock Owoership Plans in the US have probably been the most successful and now cover about 10m workers. This compares with the 750,000 workers in the three types of employee profit-sharing and share option schemes intro-duced over the past eight years in the UK. Their more limited success reflects both the lesser tax incentives granted to companies setting up such schemes and the greater reluctance of rade unions to discuss them as part of their wage demands.
But the case for extending the tax incentives in the UK is

ot Trusta - 1.75 Stores - 7.54] -

economic and social benefits are limited.

By far the most popular share scheme has been the 1984 one just because it can be limited to executives and does not bave to be extended to all the workmanagers hut, if so, companies will introduce them without the need for tax concessions. Indeed they may have plumped for a more apphisticated form of performance-related bonus were it not for the artificial advantage of tax concessions. Thus the case for granting tax breaks to executive-only schemes is weak.

Extra risk

But the principle of fiscal neutrality does not require the withdrawal of all tax concessions to employee share schemes. The present tax system has a sub-stantial blaz in favour of remuneration, and investment through pension schemes at the expense of direct share owner-ship in one's employing, or any other, company. There is a strong case for allowing employees to direct part of their occupational pension fund money into a trust which would acquire shares in their employ-ing company. The employers would have identifiable and realisable stakes in the trust.
Such a reform should not arouse the backwoodsmen in the shires who blocked the Govern-

siona by organising a wave of protest letters. And although employees would take on the extra risk of losing both their livelihood and part of their wealth if the amounts wealth if the employer went hankrupt, they could be granted greater freedom to cash in part of their stake in the employee share trust before retirement.
As the PPC study suggests, the

Government should require such schemes to include a training programme for all employee sbareholders to make them more aware of the financial and economic factors affecting their company'a performance. Soch a programme might also encourage trade unions to view employee sbares as an intrinsic part of their members' remu

and the second s

N A few weeks time. Morgan Stanley, doyen of the blue-chip Wall Street investment banks, is due to treat investors to a rare glimpse of the inner working of one of the most fabulous money-making machines ever invented.

quotation, its prospectus is expected to show an organisation that has bumped up profits through boom periods and re-cessions over the last five years, almost quadrupled its capital base over the same period, and generated a regular return on

is a crucial turning point in a firm which is now battening down the hatches for the next blg expansion in the securities business—the race to become ona of the global companies embracing the dominant financial markets in the US, Europe

through a complex character change at breakneck speed, and expanded at a rate more appro-priate to a high technology high-fiver. To continue in the same vein, as the world securities industry goes through a similar shake-out to the one that has enguifed New York, It now needs additional capital. The big question posed by this rusb for expansion is whether Morgan can manage its way through it. Like all its competitors, it is faced with two overlapping problems, both of which demand heavy

On the one hand, it needs o invest in computer and other back-up services which holster its risk management analysis, a vital activity as the sums exposed to trading fluctuations grow steadily larger. On the other, it has to spend heavily on new recruits and trading During 1985 alone, it added 670 people to boost its worldwide staff to 3,900. Of these 400 are currently em-ployed in London, and a further 140 in Japan, where it has just become one of the handful of foreign firms to win one of the coveted seats on the Tokyo Stock Exchange. Part of the answer to

Morgan's ability to cope with this challenge may be provided by the public offering, when the company is expected to demonstrate how it has managed to force its wey into the top ranks of global competitors. In the process, it will aim to neutralise some of the criticisms that it has faced on neutralise Wall Street, and which, as a base, that has invariebly been private, somewhat secretive regarded as the stronger of the organisation, it has often suftwo.

Morgan has not had a particuted debt and equity securities. Mor-larly flattering press in the US, gan dominated this business as craft to Generel Motors. partly because, as one insider puts it, "we may have allowed

As the company breaks half a century of tradition and throws itself open to a public

capital of about 35 per cent.
Yet the figures are only half
of the story. What potential
investors will also be witnessing

and Japan.

Morgan's decision to go public underlines tha high stakes that are now being played for on a worldwide scale by the hig securities houses. Over the last 15 years or so, the bank has become one of the handful of institutions that have man aged to jockey themselves into a pole position in the race to develop true multinational true multinational

It has battled through a deadly period of cut-throat competition in New York, gone

partly because, as one insider recently as the early 1990s, but only first Boston carned since then it bas been swept off bigher total fees in the top 10 our competitors to do our promotion for us." More than any other investment banking group on Wall Street, Morgan has been saddled with the street while group of Wall Street, Morgan has increased its marker, "is absolutely terrific."

WALL STREET

Morgan Stanley gears up for a global battle

By Terry Dodsworth and Paul Taylor in New York

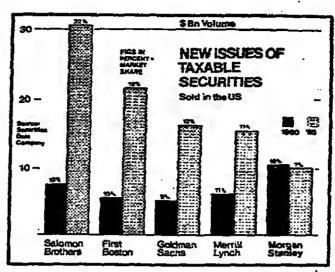


image of a traditional establishment hank, elitist, aloof and old-fashioned. Even worse, in a Wall Street hooked on aggressive deal-making and innovance trading, critics claim that it has been slow to respond to the tidal wave of new financial instruments thet have flooded

through the finaocial markets. There is nothing that makes Morgan executives bristle more than this sort of criticism. Yet the impression that the bank makes on the public is easily understandable. Spun-off from the J.P. Morgan financial empire 51 years ago, the organisation still retains many of the trappings of a more leisurely banking era.

Technically a private com-pany, it is run like an exclusive partnership, headed by a man-agement committee of four executives all Ivy League alumni. The 114 managing directors-not a woman among them-gather together once a month "in a very large room to discuss policy for anything up to three hours. It is a democratic structure completely unlike the standard corporate organisations which govern most of Wall Street. There is only one other pri-

vate New York iovesiment bank, Goldman Sachs, which has anything like the aura of inberited distinction which hangs around Morgan. Goldman, whose Jewish origins contrast with Morgan's own Waspish East Coast origins, Is often seen as Morgan's arch rivals - and in recent years it is Goldman, with its stronger roots in trading and its larger capital

recently as the early 1980s, but

ground to the big trading firms such as Salomon and First Bos-too, which have huilt skilfully on their position in the booming government securities mar-

Morgan's prospectus, aimed at raising about \$200m for 20 per cent of the firm, is expected to try to throw a different light on the public perception of both its culture and its position in the securities industry league

It is very difficult, for example, to prove convincingly that the hank is still an upper class enclave providing com-fortable outwork for graduates of the amari East Coast col-leges. Many of its managing dir-ectors these days come from US equivalents of British redbrick unversities. Some are street-smar; Individuals who have worked their way around Wall Street before arriving at Morgan's headquarters high up in the Exxon building in midtown Manhattan The head of the computer division. Mr William Cook, dropped out of college and once scraped gether a living in a Lake Tahoe gambling joint.

"This is a meritocracy," in-sists one insider. "The only criteria for working here are to be very smart and to achieve results."

There is no particularly visible slippage, either, in the bank's core business of mergers and acquisitions, In. 1985. the most extraordinary year ever for US takeover ectivity, Morgan was as busy as any of its competitors, participating in five of the too 10 deels end, eccording to Fortune Magazine, collection the slogle lergest fee—\$18m for advising the Over the last few years, the underwriting figures for US Howard Hughes Medical Insti-

Only First Boston carned

Even in US securitles underwriting, Morgan's eclipse may be tess significant than appears at first sight. Morgan has shifted direction stightly to give greater emphasis to inler-national husiness, in the process establishing a bealtby reputa-tion in London, where the margins tend to be fatter. Last yesr, it ranked fifth in global securi-

ties underwriting.

The stralegy in underwriting underscores a common theme in an organisation where capital has been relatively scarce at a time of expanding activity—to emphasise margins rather than volume. But while this approach has generated impressive amounts of cash—around an estimated \$150m last year alone -Morgan has discovered that internally generated funds by themselves are no longer sufficient. As a private partner ship which has to buy out retiring executives, many of whom have a paper worth measured in millions of dollars, it is particularly poorly placed.

The reason Morgan is finding itself short of capital is tled in with the rapid evolution of the financial markets over the last 15 years or so. To examine



Mr Richard Fisher, president of Morgan Stanley

link schemes.

TOP US INVESTMENT BANKS (ranked by capital)

| Firm | 1964 capital (Se |
|--------------------------|------------------|
| Merrill Lyncb | 2,214 |
| Shearson Lehman Brothers | 1,896 |
| Salomon Brothers | 1,732 |
| Dean Witter | 1,237 |
| E. F. Hutton | 1,020 |
| Goldman Sachs | 859 |
| First Beston | 652 |
| Prudential Bache | 618 |
| Paine Webber | · 572 |
| Drezel Burnham Lambert | 561 |
| Bear Stearns | 500 |
| Morgan Stanley | 353 |

the company's development over this period is to see the growth of a system that has taken a large number of small, highly specialised units and ateadily amalgamated them until a few survivors are now, quite suddenly, becoming true multi-national organisations. With each step up in size, the de-mands for capital have in-

Morgan itself started the 1970s as an archetypal US in-vestment bank, employing only around 200 executives, whose job was to disb out advice to big corporations such as General Motors and Royal-Dutch Shell, and to manage their eccurities This was a fine business when

margins were fat and competi-tion was thin: But 15 years ago, the bank saw the writing on the wall as new competitors began to emerge. In March 1971, Morgan's partners held a erucial planning session at which, as an executive once put it, "the modern Morgan Stanley was

Mr Richard Fisher, Morgan's 49-year-old president, wrote in the company's 50th anniversary review last year that this meet-ing made "one simple decision, which led to all the subsequent growth of our firm. Our decision was that we had to earn day-to-day relationships with the suppliers as well as the issuers of capitel." In other words, Mor-can, for the first time, entered the hurly-burly world of second-

Over the next decade, Wall Street plunged into its biggest period of change since the last ar. While Morgan and the blue-chip corporate finance specialists edged into the investment banks.

shake-out among the brokerage firms as thinner margins forced them to diversify and gobble up their competitors, or make a dash for bigher volume.

The businesses that emerged on top from this period of amalgamation and takeovers have become giant financial supermarkets. Merrill Lynch, Salomon and the American Express Shearson Lehman unit have all been trying to use their weight in the markets in offer corporate clients an everwidening array of financial products and chip away stilt further at the basic business of the old-line investment

The classic illustration of affected Morgan occurred in 1979, when International Business Machines, a long-time Morgan client, demanded that the bank accept a co-manager if it wanted a slice of a \$150 issue. Morgan refused and lost the business to Salomon. Since then, it has taken a less high-

In the last few years, the investment banks have had to cope with the imposition of Rule 415, the so-called "Shelf Registration" regulation under which Wall Street firms are en-couraged to bid competitively for underwriting business. This has inevitably eroded still further the cosy relationship which used to exist belween large corporations and their corporate finance advisors, turning the Issue of debt securities, in particular, into a commoditytype business.

Under the impact of this more competitive climate the surviv-ing investment banking firms have retreated into niche-type strategies or, like Morgan and Goldman Sachs, geared up to counter-attack on a broad front.

Only 40 per cent of Morgan's revenues now comes from the raditional corporate finance side. The rest of its business is fairly evenly split between securities trading and a range securities trading and a range of diversified activities, many of which have been added only very recently. In the last five years alone, it has entered the commercial paper business, money market instruments, foreign currency dealing, precious metals, tax exempt securi-tics, leverage buyout financing, mortgage-backed securities and

Until very recently, Morgan appeared to believe that it could generate the capital requirements for running this sort of business and translating it to a global scale without seeking outside capital. Speaking in London last April, Mr S. Perker Gilbert, the bank's chalrman, said be was confident that the group's underlying profilability was "more than adequate for the requirements of our business in the years ahead." He added: "We are a private investment firm, owned entirely by officers of the firm. As a footnote, I should add that we inlend to stay that way,"

The decision to turn that footnote into an erratum seems to have derived parily from the belief that the pace of change overseas is accelerating faster with their roots in retail than expected. The point will broking and secondary trading not have been lost on Goldman began to push back into the Sachs. Virtually everyone in exclusive territory of the New York's gossipy investment investment banks.

This convergence of interests absolutely no question of Goldwas hastened by the abolition of fixed rate commissions in that, after all, is exactly what 1975. "Black Friday," as it Morgan Stanley was saying a came to be called, led to a year ago.

Channons at the ready

1967.

Paul Channon, the new Trade and Industry Secretary, made his most notable contribution to British politics so far when he was still a back-bencher in

He permitted the publication of the fascinating and often indiscreet diaries kept by his father Sir Henry "Chips" father Sir Henry "Chips"
Channon. As parliamentary
private secratary to "Rab"
Butler, Channon was able to
give an insider'a account of the
1940 fall of the Chamberlain
government. An event which
super-optimists on the Labour
benches are suggesting has
some similarity with the situation Mrs Thatcher will face in
the Commons today.

the Commons today.
Paul Channon, who succeeded
bis father as MP for Southend West in 1959, must be hoping that his career as a cabinet ministar starts without any repetition of the incident which marred his early days as a junior minister at the Department of the Environment. He failed to be in his place on the Government front bench when called to make a state-ment and suffered the humiliation of being publicly bawled out by Viscount Whitelaw, then the leader of the Commons.

Bonus onus

The Government's offer of per-formance bonuses to top civil servants is having a marked impact—though not quite in the

way intended. Introduction Introduction of annual bonuses, of between £500 and £3,000, has not gone down well in Whitehall. A recent confidential report by consultants Hay-MSL shows that most senior staff consider the payments division. sive and contrary to sound management practices. According to the First Divi-

sion Association, the mandarins' nnion, this antipathy to the system is now being translated into active opposition. In the Department of Public Prosecutions, for example, 31 staff have signed disclaimers saying they wish to be excluded from consideration for the bonuses.

Men and Matters

the money, should bonuses be forced on them. The FDA branch in the Employment De-partment is circulating forms for members to declare their intention either to pay the cash (net of tax) to charity, to give it to the union, to return it to the department, or to pursue a fourth course with one or all of the others.
The fourth coruse is—"to hold

a party for colleagues, demon-strating that the bonus is in practice a recognition of collective performance."

One FDA statistician in the Office of Population Ceosuses and Surveya has already acted

along such lines. He has told his superiors he wilt use his honus money, paid last Decem-ber, to take his entire 25-strong division to he Forune Theatre to see the award-winning John Godber comedy Up and Under.

Beeb prepared

Auntie is keeping stranga com-pany these days. BBC chiefs have commissioned independent research on quality in broad-casting from National Economic Research Associates (Nera), an American-owned group noted American-owned group noted for its expertise in de-regulation and communications issues.

It was to Nera that Professor Alan Peacock went for independent evidence on whether or not it would be a good thing for the BBC to accept adver-

tising. The corporation, a little con-cerned that its own "indepenresearch might thought to come from its natural supporters, is hadging its bets with a Nera contract. The questions to be considered: can economists get to grips with the concept of programme quality

and what are the conditions that produce it? The task will take Dermott Glynn, Nera's managing direc-tor, back to familiar territory. Others are telling manage. He is a former chief economist —in two stages—to kill off ments they will refuse to keep at accountants Peat Marwick threats from the Channel road



a banana republic." become

Mitchell and was involved with that firm's government-spon-sored inquiry into BBC efficiency. The report that fol-lowed led to accusations that Peats had turned in a "white-wash" easily used by the cor-poration to support its campaign for higher licence fees.

Tunnel plot

My moles are throwing up details of how the Channel tunnet was won

A skilful lobbying campaign helped steer the British and French governments towards their final choice of a rail link. The veteran publicist William Camp, who has a new political novel out today, was able to demonstrate that his hand had not lost its cunning. Camp played a role in the

Camp, aged 59, remembered as the stormy petret publicist of the gas and steel national-ised industries in the 1980s and

campaign as adviser to Sir Robert Reid, chairman of British Rail. The railmen adopted a low-key programme

First, the arguments in favour of a rail link were carefully implanted in the minds of the decision-makers. The railmen scented that things were going their way when the road link contenders began offering revised schemes which included railway facili-

The second stage of the campaign to boost the railmens' case was to talk money to capture the attention of ministers and civil servants. They were reminded that the simple rail link would be a bargain at £2.6bn compared with costlier road schemes.

tha 1970s, is pursuing twin careers these days as a novelist and an adviser to a bandful of husiness chiefs. He describes his new book-Stroke Counter-stroke-as a hlack comedy. The second staga of the Leading players during the Wilson governments on the political and industrial stages will derive much fun trying to identify themselves with Camp's

outrageous characters. Literary detective work leads me to suggest that the nationalised industry around which the action swirls "BMH" stands for British Heavy Metals. Now that is interesting. Camp was in at the birth of the British Steel Corporation—only to leave four years later after a highly public row. Any connection?

Genius

A reader tells me ebout her Welsh friend Gwynneth whn went to Japan recently. They had problems pronouncing her name

ame so Gwynniss." Everywhere she went she was greeted with tremendous res-pect. At a farewell reception her bost said: "We've been so excited to have a famous author in our midst.'

"What am I supposed to have written?" sbe asked—baffled. "Wby—the Gwyoniss Book of Records."

Observer

OECD Knowledge you need

when you need it Fresh from the OECD: detailed, topical reports on industry and The Space industry, Looks at market trends, sharper com-

petition, and new business opportunities. ...copy(rea) ISBN 92-64-12772-0 £7.00 F70.00 US\$14.00 DM31.00 The Steel Market in 1984 and the Outlook for 1985. A handy retrospective and prospective atudy with statistics for output, consumption, and markets.copy(les) ISBN 92-64-12752-6 £4.50 F4S.00 US\$9.00 DM 23.00

 World Steel Trade Developments, 1960-83. Analyses data by country and area, including market sharea; much material not published previously. not published previously. ...copy(ies) ISBN 92-64-12759-3 £12.00 F120.00 US S24.00 DM 53.00

● The Pharmaceutical Industry. Looks all effects of government regulation on world trade and on transnational links. ...copy(les) ISBN 92-64-12737-2 £4.50 F45.00 US\$9.00 DM22.00

• Martime Transport, 1984. A rise in demand for shipping services, but also increased competition.copy(ies) ISBN 92-64-12761-5 £7.S0 F7S.00 US\$15.00 DM33.00 Tourism Policy and International Tourism. A wealth of sta-

tistics for 1984 and analysis of trends. ...copy(les) I5BN 92-64-12760-7 £9.80 F98.00 US\$19.00 DM44.00 Also new from OECD: • Indicators of Industrial Activity, 4th quarter 1985. ...copyrical ISSN 0250-4278 £4.00 F40.00 US\$9.00 DM 20.00

1986 subscription: £16.00 F160.00 US \$32.00 DM 70.00

☐ OECD Catalogue of Aublications☐ OECD Information Brochure.
Please clip or copy this coupon, attach to your business card or letter head, and send to:

UK Customers: HMSO Books PC 16, Publications Centre, 51 Nine Elms Lane, Overseas Customers: OECD

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT 2, rue André Pascal 75775 PARIS CEDEX 16 (FRANCE)

ET



FOREIGN AFFAIRS: DENMARK AND THE EEC

The ostriches have a point

By Ian Davidson

FOR MANY years France was to increased majority voting in the most ewkward member of Brussels and an enlarged role the most ewaward member of the European Community; General de Gaulle's legacy to Europe was a paralysis which lasted 10 years after his death. During most of the past decade, Britain edded its own obstructionism, with endless complaints about the unfairness of the consideration has been given in other Community equitals to about the unfairness of the hudgetary arrangements. Now that problem has been disposed of, and both Britain and France seem much keener than they once were to make a real suc-cess of the European enterprise. But, lo and hehold!, here is Denmark, long notorious for permark, long notorious for foot-dragging and cussedness, which has become the standard-bearer of the principle of non-co-operation, and has moved to centre-stage as the arbiter of the future development (or non-development) of the European Community. It all seems a bit Community. It all seems a bit intolerable — especially as it is not, strictly epeaking, the fault of Mr Poul Schluter's minority

Last month in Luxembourg, the 10 member states, together with new members Spain and Portugal, agreed on e package of reforms designed to streamline the Community's decisionmaking procedures, so as to echieve a fully-fiberalised internal market by 1992. A number of articles in the Rome Treaty would be re-written or expanded to permit (and indeed encourage) more majority voting; and the European Parilament would be given a slightly higger role in the policy-making process. In addition, foreign policy co-ordination would be strengthened, and the European Monetary System and tech-nology co-operation would be formally recognised in the Community framework. The prob-lem, foreseen from the beginning, was that this pack-age needed to be ratified in 12 parliaments, .

Last week the package was last week the package wasrejected, in advance of signature, by the Danish Folketing,
and the minority Danish
Government will now take the issua to the electorate in a referendum. There is some hope that the voters will support the Government, A recent opinion poll suggests that almost half the electorate (48 per cent) would vote in favour almost half the electurate (48 said, in Denmark as well as in amendment of the Rome per cent) would vote in favour and only 38 per cent against. Danish No vote in the referens that differential abstentions will mark is on its way out of the are insisting that this referense.

other Community capitals to what would happen next.

Over the past few days I have over the past few days I have questioned a number of experts and government officials from a number of capitals. Their assessments fall into four widely different categories:

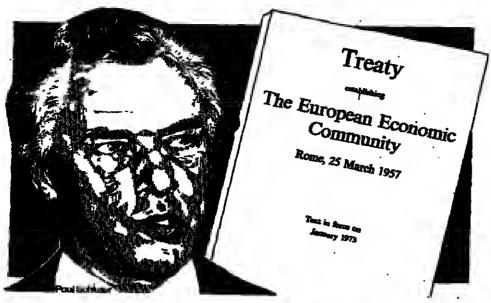
The Ostrick-like. We have not really thought what to do if the Danes vote the agreement down; we just hope it will not happen.

The Dramatic. There will be an enormous erisis, and the Danes will have to leave the Danes will have to leave the Community. If necessary, the other member states may force Denmyrk's hand, by adopting e new treaty which incorporates the Luxembourg agreement. The Prosaic. It will be a great pity if Denmark blocks the Luxembourg agreement for Treaty amendment, because it would represent real if modest progress. There will then be

progress. There will then be e great deal of shouting in the other member states, but no dramatic counter-moves. The only option will be to fall back on a less formal method of secoring some of the same re-forms, by pragmatic gentleman's agreements for more majority voting, as we discussed six months ago at the Milan sum-

is not inevitable, even if the Danes do vote No: Europe is much more resilient than the pessimistic "good Europeans" would have us helieve. We may have to come to some errangement with the Danes, but one or another we shall certainly complete the liberalisation of the Community's internal market and strengthen our foreign policy co-ordination.

Oddly enough, the Ostrichlike posture may be the most sensible; there is certainly very little mileage in either the Dramatic or the Prosaic approaches. It is commonly



other governments are now pretty firmly committed to giving the Community a new push forward, and it is hard to believe that they will in-definitely be thwarted by one of the smallest and least co-operative member states. Con-versely, if it appears that there is a fundamental divergence of view over what the Community view over what the Community is for, it is hard to believe that in the end the Danes will not prefer to leave, despite the enormous financial benefits they

currently gain from the common

agricultural policy.

But it is one thing to foresee an eventual parting of the ways; quite another to imagine that the Danes will be so obliging as to leave without e struggle; or to pretend that the other 11 countries can force them to leave. It is the minority centre-right government in Denmark which is representing the refer-endum as a test of Denmark's continued membership in the Community, because it believes this will improve the chance of a Yes vote: for the moment, more Danes want to stay in the Community than support the amendment of the Rome

sound judgment; after long majority voting and the powers wears of stasmation, most of the European Parliament. Legally and constitutionally,

the Danes would be entirely within their rights to refuse to amend the Treety; they signed what they signed, without great enthusiasm, and they are under no legal obligation to sign any-thing more. By the same token, there is no legal way the other member states can drive the Danes out. Mrs Thatcher at first resisted the idea of Treaty amendment, ostensibly becase it was going to be difficult to get the agreement of 12 govern-ments and 12 parliaments, even if her gut instincts had more than a hit in common with those of the Danes; the differ-ence is that, when push came to shove, she was not prepared to be marginalised from the Community process, and she decided to check her gut

Moreover, there is no escape route through a separate treaty between the other 11 memberpetween the other 11 member-states, incorporating the provi-sions of the Luxembourg pack-age. The essential characteris-tics of the Community are its legislative, democratic and legalistic functions: policy agreements are binding on all members states and enforcemble. per cent) would vote in favour other member countries, that a differential abstentions will reverse this result on polling day, since those who are hostile term that may prove to be a sign that may prove to be a sign that only about a parallel Parliament and a majority voting would sharply series of make explicitly determined and enforceable that its hostility was directed that its hostility was directed that its hostility was directed to make explicitly determined that its hostility was directed that its hostility was directed to have been member-states and enforceable that its hostility was directed to host

parallel Court of Justice; or else it would imply completely unofficial and unenforceable negotieting procedures. But in nelther case would it dispose of existing obligations and existing institutions under the Rome Treaty. Agreements reached between the 11 by majority voting would still require unanimity between the 12. Net result: legal, political and commercial chaos.

months ago to secure some informal streamlining of the Community's decision-making processes, on the basis of a gentleman's agreement for more majority voting or simple abstentions where unanimity has hitherto been the rule or the predice

But it is hard to imagine that any Danish Government would be able to accept, by the back door, reforms which had been formally rejected both by its parliament and by its elec-torate. This would only be possible, if the Danish opposition were to make explicity clear that its hostility was directed only at the increase in the powers of the European Parlia-

reduce the power of the Folket ing over Denmark's Community policy.

Admittedly, the proposed Treaty amendments go e bit further than the pragmatic Milan. Bot the political effect of e No vote will be to strengthen then hand of those in the key Folketing committee who already have a firm grip on Denmark's Community policy and who are most opposed to the hand of those in the key ested. In those circumstances. gested. In those in the key gested. In those circumstances, the presumption must be that Mr Schluter's Government would be less accommodating on the majority voting issue than it might have been at

Milan. Everybody knows that the elimination of barriers to trade in goods and services between the member states will require much more majority voting than has been either customary or possible until now. But the issues at stake go far beyond the bare question of whether the Community will, 25 years late, succeed in living up to the minimum obligations of the Rome Treaty and its mis-named Common Market. The European debate of recent years has shown that most member states now believe, not merely that the Community must press forward, but that its relatively narrow economic and commer cial terms of reference cannot be compartmentalised, but must be organically connected to broader aspects of the European enterprise: technology col-laboration, defence collabora-tion, foreign policy, security. The challenge raised by the Danes is not just to the achieve-Superficially, fine Prosaic enterprise: technology collaboration, defence collaboration, defence collaboration, foreign policy, security. The challenge raised by the is almost as unpromising. Who knows, it might have been possible at the Millan stimmit six nor even to the precise balance of every between rational and

of power between national and European institutions, but to a broader political conception of what Europe is about. And it is not just the Community which is irritated with the Danes, it is also Nato; Denmark spends less on defence than any other burgean ally except Luxembourg, and its defence policy seems based on the proposition that it is free to flaunt its anti-

nuclear sensibilities in peace-time, in the hope that others would save it in wartime, Even if the Schloter Govern-

Lombard

Great oil-sterling trade-off

By Samuel Brittan

half a year's normal growth. No treasury simulation is going to persuade me otherwise.

Like most macroeconomic changes it is not the end of the world and will make much less difference to the welfare of in-dividual Britons than quite small changes in their personal circumstances. But 1 have left out one nega-

But I have lett out one nega-tive factor for the UK. There has to be a reduction in the real exchange rate — pro-visionally estimated by the London Business School et 6 to 9 per cent to sell more British products overseas, or to import less, to offset the lower proceeds from oil exports.
This could double the impact on British real income, although the effect need not come over-

acting in the other direction.

The biggest is the gain in bigher world activity and lower world inflation — nearly 2 per cent less inflation and more than 1 per cent extra growth in the first full year, Judging by conventional models which probably understate the bene-

will the beneficial interna-tional effects spill over sufficiently on the UK to offset the primary loss? My guess— which is only slightly better than yours—is that it would eventually, but not in the first full year.

Another possible offset would be a boost to real demand whether arising from the UK fiscal impact or the effect of greater "competitiveness" especially against the D-mark, where the pound now stands at a level below what the CBI could have hoped for in its wildest dreams. Alas, I am too long in the tooth to count on this kind of gain before the

What has actually happen ment carries the day in the referendum, fhls underlying challenge will not have been resolved. But let us take one thing at a time, put our heads firmly in the hand, and hope the reset that the Pance will not be referred with about \$18.50 last referred to the referred with about \$18.50 last referred with about \$18.50 last referred with about \$18.50 last referred with a referred w Friday, giving a fall of just over 30 per cent.

IF OIL represents 5 per cent of the British GNP (there are slightly different ways of calculating the percentage) and if oil prices fall by 30 per cent there must be e once-for-all loss March 1985. — that is remain to British real income of about the percent or a little more than culating the percentage) and it index "with not change since oil prices fall by 30 per cent from its average level since there must be e once-for-all loss March 1985" — that is remain to British real income of about et ebout 80. On Friday the 1½ per cent or e little more than sterling index was just over 74, a drop of 71 per cent.

a drop of 72 per cent.

This takes us right to the middle of the depreciation estimated to be necessary by the LBS on the asumption that it is not eroded by higher internal British costs and prices.

This takes us to the impact of recent events on inflation. A 30 per cent fall in the oil price at e given exchange rate tends.

at e given exchange rate tends to reduce the UK general price level by I to 2 per cent how what it would otherwise be, depending on estimates about pass-ing through both in Britain and abroad. Let us settle for

1) per cent.
How about the unfavourable how about the uniavourable impact on infletion from sterling depreciation? On conventional models e 10 per cent depreciation adds 2 to 3 per cent to the price level. So the 7½ per cent depreciation so far experienced would add at least 1½ to 2 per cent to the British price to 2 per cent to the British price level. Thus far there is nothing much in it, although the balance is slightly on the unfavourable side on the estimates I have used. There are however hig dangers on the inflation front if sterling falls much fur-

ther and oil prices do not.

Snppose that oil prices do tumble further. Then very roughly for every dollar that the Brent price falls, sterling cannot drop hy more than 1 to 1 per cent without damaging the infletion outlook.

Because of the inter-relation between national and inter-national markets in all goods and services and between pro-ducts and labour markets, the nitimate inflationary effect of exchange rate depreciation is exchange rate depreciation is much bigger than the conven-tional models show. I have used the conventional models partly because there are still so many uncompleted effects of earlier exchange rate changes in both directions still in the pipeline. Add to the argument the telltale signs that US inflation is on the upturn—and thus likely to transmit itself especially to countries the currencies of which depreciate against the dollar — and there is reason to take very seriously any major further depreciation of sterling.

The nation's spending

From Mr T. Arthur

Str.—Mr A. Sutherland (January 21) argues that public spending including transfer payments as a proportion of GDP is meaningless propaganda. I have little doubt that he is right, in the sense that very few aggregate macro economic indicators are much more, but is the reason he advances valid?

I assume that one of the main purposes of this particular indicator is to say something ebout "the role of the state" which Mr Sutherland concedes

is worth arguing about.
One measure of this would be the total tax take relative to overall ectivity. Current pure taxation however is not enough; government can claim resources via inflating and borrowing, both of which are taxation by another name (deferred in the another name (deferred in the latter case). A good proxy for this adjusted tax take would be government apending (including transfer payments). Another way of saying the same thing is to ask what is so special about transfer payments. All government spending is e transfer payment of one form or another. Whether the payment is gratis or in recognition of some supposed service payment is graus or in recogni-tion of some supposed service matters little; the damage is done when the tax is levied and It is not repaired by any form of distribution (except that which returns the tax to the

There are those who extend There are those who extend this argument further and state that the GDP Itself should be measured as only that part of private sector production which remains in private hands! This, however, like all other conventional attempts to measure the role of the government fails for the simple reason that the government could direct the whole of the economy while owning and spending next to nothing; I believe this version of dictatorbelieve this vertion of dictator-ship is called fascism?

17 Highfield Road Edgbaston, Birmingham

Market sizes compared

T. G. Arthur.

Sir,—A great deal of attention has been focused on the narket opportunity for UK irms that is offered by the Channel tunnel with its projected capital cost of £2.5bn. By omparison the size of the well stablished merket offer,—by he UK oil and gas industry is not nearly as widely appresated. For example, in 1984 his industry placed orders orth £3.6bn. Put another way, he development of the UK's oil and gas reserves offers an From Mr C. Woods

Letters to the Editor

tunnels a year. What is more, health care market in this recent analysis suggests that this level of activity will continue well into the 1990s.

Charlie Woods.

health care market in this country over the past few years. Not only is the total of people subscribing to medical insurance in the UK grow-

Charlie Woods.
(Offshore Industries Executive)
Scottish Development Agency,
10 Queen's Rd, Aberdeen

Private health

From the Managing Director, Private Patients Plan

Private Patients Plan

Sir,—On January 3, at the invitation of the chief executive of American Medical International, I attended a reception where he made it known that he thought it undesirable for insurers to debate with providers of private health care—through the Press—their differing views of the market, It was therefore with some interest that I read the report by Robin Pauley of his interview with Mr Burleson (January 22) where he commented about his views and the insurance cover offered by PPP. I read what he had to say with even greater astonishment

the insurance cover offered by PPP. I read what he had to say with even greater atonishment when I found how unrelated it was to feet in certain important respects.

Mr Burleson alleged that PPP "will reimburse 100 per cent for in-patient work but nothing for the same procedure for an out-patient, even though it is cheaper." That is nonsense. If a company wishes to insure its employees or an individual wants to insure himself or his family with PPP for out-patient surgery or such out-patient surgery, these are all fully covered. For instance, dur Family Health Plan clearly states that we will give a full refund of all hospital, surgeons' and anaesthetists' charges for surgical procedures received on an out-patient basis in any hospital, and these facts were perfectly ascertainable by Mr Burleson really means that he is considering entering the insurance market because of the limitation of cover that he

surance market because of the limitation of cover that he believes is offered by the traditional insurers, he should at least ettempt a better understanding of what that cover

actually 18. His other reason for dissatisfaction with the traditional insurers, as he calls us, is that orth £3.6bn. Put another way, insurers, as he caus us, is that he development of the UK's oil and gas reserves offers an proportunity to UK companies thich is equivalent to building thich is equivalent to building round one and a half Channel of the growth of the private of the growth of the growth of the private of the growth of the growth of the private of the growth of t

insurance after they reached the age of 65. Both of these low cost plans have been very suc-cessful in developing business that is entirely new to the

Moreover, the traditional insurers have, through their sizeable expenditure on marketing, enlarged the total market by bringing in many people below the age of 65 in the socioeconomic groups traditionally covered by medical insurance. It is very misleading to sug-gest that there has been more effort put into gaining sub-scribers from existing insurers than into gaining new sub-scribers. What Mr Burleson seems to ignore completely is that there has been a worrying

that there has been a worrying trend towards the position where almost as fast as the provident associations have edded to their subscriber populations they have been losing subscribers because of the increase in subscriptions due to the costincreasing factors outlined so accurately by Lisa Wood in her article in your survey of January 22.

While I agree with Mr Burleson's view that it is preferable for us not to debete the private health sector through the media, I felt it necessary

the media, I felt it necessary to correct his comments. Roy Forman.

Eynsham House, Tunbridge Wells, Kent. Patently

absurd From Mr M. Sparham

Sir, — I was interested to see your article "Patently absurd"

provided by the Petent Office, the argumentation given by the Controller General and Assistant Controller could apply equally as well to improving the office within the civil ser-vice and are unconvincing as reasons for hiving off,
The Government, in its

amouncement, gave as one of its reasons, the need to free the Patent Office from the traditional civil service framehealth care market in this country over the past few years. Not only is the total of people subscribing to medical insurance in the UK growing quite quickly but, so far as PPP in particular is concerned, we have sought to extend the total market beyond its traditional scope by introducing, several years ago, a low cost plan which would encourage the market to extend downwards through the socioeconomic pyramid and, secondly, by introducing more recently the Retirement Health Plan which simed particularly to make medical insurance available to elderly people who mp to then had been almost entirely excluded from being able to subscribe to medical insurance after they reached the specific subscribes and trained and negotiations on terms and conditions will have to take place. negotiations on terms and con-ditions will have to take place. The hiving-off is Irrelevant to the needs of the Patent Office and the proposal is indeed "patently absurd." Mike Sparham.

(Assistant Secretary, Society of Civil and Public Servants, Executive and Directing Grades.) 124-30, Southwark St, SE1.

Wonders of technology

From the Financial Director, RK International Machine Tools Sir. - What wonders of modern technology can work on behalf of British business— if only our bureaucrats would let it.

Some 12 months ago British Telecom supplied this company with a new telephone system, which the manufacturer ad-vises us is capable of onward connection of the calls to other numbers should we wish, eg. at weekends. The system works. we have proven it. BT, however, has since discovered that such use is prohibited under the terms of its licence.
Why? Who loses out if a customer phones us and all the time he is connected to our switchboard he is paying for a

switchboard he is paying for a call, while we are simultaneously paying for a call to one of our staff?

The customer is achieving his aim of speaking to the company. We are echieving our aim of 24-hour availability to our customers. BT is obtaining extra revenue. Someone, somewhere, how-ever, has (if BT is not mislead-ing me) decreed that this should not happen. Why?



PROFIT FROM A WIDER VIEWPOINT.

For a strategic overview of the international business scene, all you need is The Wall Street Journal/Europe.

· The Journal offers you: •a concise daily summary of international corporate and economic developments,

•a comprehensive package of international capital market news future. and financial information, •a unique and

sometimes controversial editorial position on European economic

and public policy issues, and • the most complete coverage of the American economy and American business available this side of the Atlantic.

The Wall Street Journal/Europe offers you, in short, a truly global view of the trends that will shape Europe's - and your company's -

Start picking up a copy every day. We think we can THE WALL STREET JOURNAL.

guarantee you a wider-and considerably more profitable -view all round.

GO STRAIGHT TO THE TOP

FINANCIAL TIMES

Monday January 27 1986



Terry Byland on Wall Street

Optimists back in the saddle

LAST WEEK'S successful rebound by the Wall Street stock market has strengthened the case of those analysts who refused to panic on Black Wednesday, January 8, when the Dow Jones industrial average plunged by nearly 40 points. Even after that setback, Pruden-

tial-Bache and others argued that a downward correction to around 1,480 on the Dow index was perfectly acceptable, and probably neces-sary. But after the successful re-bound from the 1,500 level, the Wall Street optimists are back in the sad-

The turning point has been the sudden, renewed slide in oil prices. After some confusion when the market chose to concentrate on the bearish implications for the banks. analysts are now pointing to the bullish implications for industrial stocks of lower world energy prices.
Falls in bank stocks last week of

around 7 per cent outpaced those in the wide range of industrials. Losses in aerospace, paper, heavy machinery or electrical equipment stocks were trifling. Significantly, banks lost more than oil stocks, which dropped about just over 5 per

The stock market was badly upset at mid-week by the doomsday view that collapsing oil prices might provoke an all-out crisis in the US banking system. But nerves stead-ied, and Wall Street took the view that the damage caused by lower oil prices would be borne by bank earnings - and stock prices.

But the lower oil prices will underpin Wall Street forecasts of higher corporate profits this year. At Merrill Lynch, for example, predic-

Leading US stock indices

Jan 24 % off peak DJ indust Av 1,529.93 ~2.34 206.43

tions that the Standard & Poor's 500 stocks will show an earnings gain of around 14 per cent in 1986, against a rather smaller gain last year, have been confirmed.

Wall Street's profit forecasts for 1986 are standing up well to the re-ports from the real world, in the form of the final 1985 quarter fig-ures from US corporations. Results have endorsed expectations of the benefits of a lower dollar - and last week's dip in the US currency to below Y200 can only emphasise the

For those convinced that the past three weeks have seen nothing more alarming than a technical shakeout, the dip in stock prices will feed further bullishness. The S & P 500 stocks are now trading on earnings ratios of only about nine times prospective 1986 earnings, and sometimes much less.

Defence stocks which have been badly battered by expectations that defence contracts will, at best, be harder to come by as further cuts in the federal deficit are sought, are at ratios of six to seven times prospective earnings. Retail issues, such as Sears and K mart, are well short of a nine-times prospective price earn-

ings ratio.
The view that the stock market is still moving into a year of higher corporate earnings survived a significant test when IBM announced its results last week. Fourth-quarter earnings of \$4.38 from IBM were well up to market forecasts, and the wave of selling that followed the re-sults was not unexpected. Big Blue's stock has been recovering smartly, and was only a shade under its all-time peak when the re-

IBM has one further opportunity to meet the market within the next few weeks, when it will issue its annual report to stockholders. Last week's earnings statement sounded unenthusiastic about the outlook for the opening quarter of this year. IBM's profits outlook was a signi-

ficant force in the 1985 stock market, which responded sharply to progress reports from the boardroom of Big Blue. But both the IBM stock price and the stock market have yet to respond to a dollar that may be headed below Y200.

The broader stock market, untroubled by profit-taking in IBM, or by the dive in money centre bank-ing stocks, has continued to display significant underlying confidence. After reaching a new peak barely a week after the massive shakeout in the Dow industrials, the Nasdaq over-the-counter composite index has traded solidly around that range. Turnover in this market has been good, in that it has been solid rather than spectacular, showing little sign of the overspeculation by private investors that often indicates a terminal phase in the market.

"The market is still regrouping," as Shearson Lehman Bros puts it. But the list of those taking a positive view of the near-term outlook has grown significantly as oil prices have fallen.

FRENCH BANKING GROUP PREPARES FOR RETURN TO PRIVATE SECTOR

Suez plans FFr 1.8bn funding

COMPAGNIE FINANCIERE de Suez, the French state-owned financial and industrial group, will today announce a record FFr 1.8bn (\$239m) equity-raising and stock-conversion package designed to prepare the way for likely denationlisation after the March general

The funding will take the form of a one-for-six rights issue, finally agreed with the French Governnent last week after several weeks of preparation. This will give private shareholders a non-voting stake of about 20 per cent in the Suez capital, although the state will retain complete control of voting

The package, in which the state will be selling to private investors its rights to subscribe the capital increase, comes as several other hanking and industrial groups tak-en over by the state in 1982 are actively preparing denationalisation

The right-wing opposition, which according to opinion polls will win the March 16 poll, has promised to privatise all the groups - including

BY ALAN FRIEDMAN IN MILAN

MONTEDISON, Italy'a leading

chemicals group, announced plans at the weekend for its long-awaited

L551bn (\$330m) rights issue, de-

signed to strengthen share capital

and reduce the Milan-based group's

Mediobanca, the merchant bank,

is expected to lead-manage the Montedison issue, which will prob-ably come to the bourse in April.

The effect of the issue will be to in-

crease share capital from L1,110bn

to L1,661bn. Even after the in-

of about IA,500bn will still repre-

sent 2.7 times the group's equity

ter in his department because of a

conflict of interest arising from his

membership of the Guinness

Over the next few weeks, the De-

partment of Trade and Industry

will have to decide, on the recom-

mendation of the Director-General

of Fair Trading, whether to refer the £2.2bn (\$3bn) bid by the Guin-

ness brewing company for Distillers, the whisky group, to the Mon-

opolies and Mergers Commission.

A complication is that before the

Guinness bid was announced a

week ago it was decided not to refer

BY PETER RIDDELL, POLITICAL EDITOR, IN LONDON

to the commission a bid for Distil- Financial Services Bill, because of

crease, however, Montedison's debt

heavy debt burden.

Suez - nationalised by the Socialist Government in 1982, as well as state-owned banks and insurance

However, the desire of state owned companies to make use of the investment appetite of the buoy-ant Paris Bourse, as well as the increasing pragmatism of the Socialists over denationalisation, appears to make gradual flotation of state holdings inevitable, regardless of the election outcome.

The main motivation behind the Spec launch is to cash in on current bourse demand in order to stock up equity resources as a precondition for eventual denationalisation Many French banks, generally under-capitalised by international standards, believe that their credit rating would suffer if they were no longer backed by a state share-holder.

The Suez transaction, involving the issue of 2.16m new non-voting preference shares (certificate d'investissement, or Cls) at a basic price of FFr 825 (\$109) each, will be announced by Mr Jean Peyrele-vade, the Suez chairman.

Montedison to raise L551bn

three-hour meeting on Saturday, said group net profit for the first 10

months of last year totalled more than L70bn. That is the first posi-

tive result for n decade. For the

whole of 1985, consolidated net prof-

it is likely to be more than L100bn

on turnover of L14,200bn. A divi-

dend payment is also expected for

Montedison also said it planned

investments this year for more than L1,000bn, to be "largely self-

The rights issue will involve the

UK minister faces interest conflict

MR PAUL CHANNON, Britain's lers by Argyll, the UK supermar- his membership of Lloyd's, the Lon-

On his appointment, he told Mrs

Margaret Thatcher, the Prime Min-ister, that he would leave it to a

minister of state in the department

to exercise whatever ministerial re-

sponsibility might be necessary

Such conflicts of interest have

arisen in the past because of simi-lar family or local links.

However, Mr Channon's predica-

ment comes on top of opposition cri-ticism of the involvement of Mr Mi-

chael Howard, the corporate and

new Trade and Industry Secretary, kets group. Mr Channon is a don insurance market, will have to pass one of his first im-shareholder and beneficiary of fam-Mr Howard ceased at

offer of 400.7m non-voting savings for ordinary shares so shares at a nominal price of L1,000 dilution of his holding.

1985, the first for 10 years.

in effort to cut debt burden

in stages over the seven weeks be- our issue of 1m CIs last summer at fore the elections, marks the first FFr 580, which have lately been a rights issue, as well as the biggest 1,100. overall share capital package ever made through the Paris Bourse.

A significant part of the package planned to be sold abroad through banks in the UK, North America, Switzerland, West Germany, Belgium/Luxembourg and

A prospective FFr 700m of the new equity is planned to come through conversion of non-voting loan stock (titres participatifs or FFr 9bn. TPs) issued in February 1984 by the Suez group's banking arm, Banque Indesuez Six CIs are to be offered

resume on Wednesday.

The bulk of the Cis, planned at FFr 1.1bn, will be issued through FFr 75 each. The remaining shares share flutation.

1984-91 convertible bond will be able to subscribe eight new savings

shares for every 25 shares or bonds

In addition, the company will is

PAF minesweeper and paints com-pany last month became the single

largest shareholder with a 10 per

cent stake, is expected to subscribe

for ordinary shares so as to avoid a

Mr Howard ceased all trading ac-

tember when he took his present post. But he remains a Lloyd's

member, partly because he may face liabilities on contracts ar-

Labour MPs have argued that Mr

Howard should not be in charge of

the bill, which sets n new superviso-

ry framework for financial mar-

clared his interest, his position may

ranged before last September.

highly contentious.

consumer affairs minister, with the be questioned again by MPs Financial Services Bill, because of Channon's credentials, Page 4

The Montedison board, after n each. Shareholders and holders of a

already beld.

LI.000 a share.

The operation, to be carried out are held by subscribers to a previ time a nationalised group has made trading on the hourse at around FFr

> The Government will also use its rights to create the CIs to be exchanged for the existing Banque In-dosuez TPs. Although details will depend on the outcome of the TP exchange offer, the overall effect of the deal will be to increase the Suez holding company's nominal share capital from FFr 1.95bn to FFr 2.27bn and to increase the group's capital resources from FFr 7.2bn to

The Sugz issue comes as the nationalised electronics and energy in exchange for five TPs, quotation tricité and the alumennum contain of which has been suspended on the Pechiney are putting together equity-raising deals in Paris. Other equity-raising deals in Paris. group Compagnie Générale d'Elécstate owned companies such as the Thomson electronics group and the Paribas financial concern are maksubscription rights for existing ing no secret of their preparations. Suez shareholders. The state, which for denationalisation, while Rhone-currently owns \$2.3 per cent of total. Poulence, in chemicals, has recently Suez shares, will sell its rights at said it is in favour of an eventual

IRA guns seized near Irish border

By Hugh Carnegy in Dublin

IRISH SECURITY forces seized a sue 150.3m ordinary shares, availlarge quantity of guns and ammuniable to bond and shareholders on a able to bond and shareholders on a tion which they said was destined three-for-25 basis and also priced at for the IRA. They also detained five people in three dawn raids within Mr Gianni Varasi, the new 30 miles of the border with North-Montedison vice-president, whose ern Ireland yesterday.

The arms seizure came amid signs of a continuing split among Unionist MPs over their strategy in the wake of last week's by-elections in which they retained 14 of their 15

Yesterday's arms seizure was the biggest in the Republic since the capture of the fishing boat Marita Anne laden with weapons off the coast of County Kerry in October 1984. Reports indicated that almost 150 rifles and hand guns were taken from three houses under surveillance in County Sligo and County

Members of special task forces sent to the border by Dublin after the signing of the Anglo-Irish agreement last November were involved. The arms seizure is the kind of security success that both Governments hoped the accord would

The loss of so many weapons is n blow to the IRA Provisionals. It folkets, since the position of Lloyd's, at lows n sharp fall in support for Sinn present excluded from the bill, is Fein, the IRA's political wing, in last week's by-elections.

Although the official ruling has been that Mr Howard has fully de- Fein contested, its share of the vote fell by nearly 25 per cent compared with the 1983 general election. The swing helped Mr Seamus Mallon of the Social Democratic and Labour Party (SDLP) to capture Newry and Armagh from Mr Jim Nicholson of the Official Unionist Party. Dr Garret FitzGerald, the Irish

Prime Minister, sald yesterday that the swing to the SDLP, which sup-ports the Anglo-Irish accord, proved that the agreement had already diminished support for the IRA in the nationalist community. That is enormously encouraging to both governments," he said.

Although they lost one seat, the other 14 Unionists were returned on their platform of outright rejection of the agreement. The overall Unionist vote in the 15 constituen cies was slightly increased.

While both Governments say they will stick by the accord, there are signs that London is keen to bridge the gap with the Unionists.

Police in Northern Ireland were last night still hunting Mr Owen Carron, the Sinn Fein candidate for Fermanagh and South Armagh, who had been allowed bail - on charges of possessing a rifle and ammunition - in order to fight the election. He did not return to Crumlin Road jail in Belfast on Saturday

Continued from Page 1 cording to the experts, a tax of 6 per cent would be necessary to cover the full costs of storage and export

But it may emerge that even a 3 per cent levy will prove too high to be politically acceptable in a year which promises national elections in France and the Netherlands and regional polls in West Germany.

omy of even lower rates will presuthat dramatic results are unlikely. | criminate against larger farmers. THE LEX COLUMN

An outcast of the islands

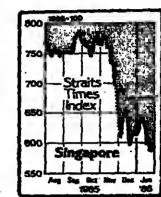
Koon Swan from a rich and successful politician into a prisoner on SS20m bail is as cautionary a tale as today's securities markets can remore compelling than any tale of human frailty or hard luck the Sin-gapore drama, which has been playing valiantly to half-empty houses since the collapse of Pan-Electric in November, has every sort of lesson for the demand-led revolution in international equity investment - to say nothing of the banks' thirst for loan assets in the solvent tropics. That the reverberations of the Pan-Electric affair and Mr Tan's arrest have been confined to the Singapore market and its equally goody sister in Kuala Lumpur may be more a cause of worry than of joy.

The transformation of Mr Tan

It is all very well to argue that a general fall in stock prices was on the cards even without the suspension of trading on both exchanges last month. International fund managers were fairly sharp in discounting the effect of weak commodity prices in Malaysia and Indonesia; or the impact of an overvalued currency on entrepot trade, retailing or property prices in Singapore.

But there were few who could have predicted that a thoroughbred economy such as Singapore's, which had grown at steroid rates since time out of mind, would not so much slow up as break down on the track; and that the general collapse in asset values and earnings would eave suddenly unprofitable companies with nothing but artificially ramped shares as collateral with which to fund their businesses. This last problem was much exacerbated by political attempts to redistribute wealth in Malaysia in favour of the Bumiputra community, drawing every sort of ingenuity from Chinese proprietors to inflate value in second-rank Malaysian stocks quoted in both centres.

But where banks were jumping over one another to pick up dubious commercial assets in securities rading, anything could happen; and there is every evidence that forward share contracts were unravelling at panic speed even before the Pan-Electric default. The best guesses are that outstanding contracts amount to about S\$800m. ing; but given the lack of documen- demonstrated, and the whole exer- in taking their turn.



tation on such trades, let alone the tendency to late settlement at the best of times, the figures may not

What is clear is that these liabilities, which are being borne by the Singapore brokers as agents, will work their way through to the banks that lent to them on the basis of collateral which may at times have consisted solely of shares at less than the loan's value.

Since the index stocks alone have fallen by a third in Kuala Lumpur d a quarter in Singapore since even without the collapse in value of the quoted Pan-Electric compathat the way is up even from a reconstruction is stymical.

price/earnings multiple for the In these circumstances: market of 16.

cise could give a new meaning to the phrase Chinese Wall. Foreign brokers are showing no

great eagerness to pick up seats, or at least not without some comfortable professional indemnity cover. As for the Monetary Authority of ngapore, its transformation into a full-time exchange policeman through statute may not be enough to convert an off-course betting shop for Malaysian stocks into an independent source of capital. It could even be argued that to have a stock market nt all was an aberration in such n centrally planned economy as Singapore.

Helicopter arbitrage

The exponents of risk arbitrage usually represent that activity as the scientific weighing up of per-centages, the odds nttributed to var-ious possible outcomes in a corporate battle. For a self-respecting arbitrageur to get involved, the possible results generally need to be pretty clear cut, and there needs to be a reasonable safety net in the market, based on calculation of the company's fundamental value.

Where Westland is concerned, neither of these conditions seems to the Pan-Electric story broke, this hold Although both the European would not be an inviting prospect and Sikorsky factions have been picking up substantial clumps of shares, the presumption must still nies, although, ironically, the banks be that neither will go to the length make up such a proportion of the of making a full hid. For each market that their 1985 provisions antagonist the sole justification for could bring the merket earnings driving up the price to such spiral-base sufficiently low to permit actu-al growth next year. As it is, the smart money in the US is wonder-low the other a clear run to 50 per ing whether Singapore alone can be cent of the votes; it is impossible to allowed to go on bucking the gen-make a reasoned gamble on the eral world stock-market trend; and company's fate if the forthcoming in these circumstances, the pre-

mium value of the shares ostensibly Yet for all the sophisticated inter- may well not last beyond the ballot national comparisons of a stock on this week's revised rescue packsuch as Singapore Airlines, the fact. age. Except for members of one or is that its flotation was sandbagged other concert party, to buy into is that its flotation was sandbagged other concert party, to buy into by the market's fall from grace; and Westland at this stage, and likely it is still not clear in what sort of price, appears to offer a reward on health, if at all, the Singapore equi
ly if the shares can be rapidly ty market will survive. It could be handed on to someone who needs that the Singapore banks, which them. That is no doubt why some have been admitted to the excanny institutions are reported to change, will take over the brokers have both bought and sold, last to whom they are exposed; but the week. But it seems a bit late for banks have little experience of the new players - even the redoubtable

Tough week ahead for £ and rates

Continued from Page 1 of pressure from several oil producing states for cuts in production to halt the slide in oil prices.

Falling oil prices were at the root of sterling's sharp fall on the foreign exchange markets and the subsequent rise in base rates from 11% per cent to 12% per cent on Jan-

Iran is reported to have halved its oil production until further notice and Egypt announced that it would cut its production from 250,000 b/d to 150,000 b/d. The Gulf oil state of Oman devalued its currency by 10.2 per cent to try to stem the growing budget deficit caused by falling revenues because of lower oil

The United Arab Emirates' Oil Minister, Dr Mana Said Otaiba, a member of the special Opec committee, with Kuwait, Indonesia and Iraq under the chairmanship of Venezuela, said the oil industry was passing through the most critical stage in its history. "But there was still time for Opec and non-Opec oil producers to co-ordinate policies to

World Weather

prevent further price deteriora-tion," he said. Sheikh Ahmed Zaki Yamani, the

Saudi Oil Minister, has been applying pressure to non-Opec states such as Britain by increasing production to try to force them to agree to production ceilings. The result is that oil prices, more than \$30 a barrel at one point in 1985, were around \$18.50 at the end of last week. Sheikh Yamani threatened that the price could fall below \$15 without co-ordinated action.

The British Government, endu ing intense political pressure last week, decided to stave off a further rise in interest rates. It let sterling take all the strain, losing 4 per cer of its value, and put on a brave face by pointing out that there were benfits as well as problems from fall-

ing oil prices.
But the Government was also quick to stress that it would act if its strategy against inflation was threatened by a further sharp drop City of London experts at the

weekend still thought a rise in base rates to 14 per cent was likely soon

In addition to the domestic political crisis and oil prices, the US dol-lar also has a big impact on ster-ling's instance. On Friday, for example, the falling pound stabilised briefly—as a result of n weaker dol-lar—before Mr Leon Brittan resigned as UK Trade and Industry

The markets will be paying very close attention this week to tomorrow's State of the Union speech by US President Ronald Reagan, and to the evidence on domestic mone tary policies from Mr Paul Volcker rman of the Federal Reserve Board to a House of Representa-

North Sea exploration might half if the price of oil continues at its ent low level, Mr Chris Green tree, chief executive of Lasmo Oil, one of Britain's largest independent oil companies, said on television

Japan may cut

Continued from Page 1

er US rates, was traditionally held

to weaken the yen.

The evidence since the decisive

September Group of Five meeting

in New York, however, is otherwise.

The yen has gained against the dol-

lar by more than 20 per cent in the

face of a long-term capital outflow

running at \$5bn-\$6bn a month and

interest-rate differentials of 3 to 4

The impact on the domestic econ-

percentage points.

discount rate

Brussels plan to axe food stores

Britain is certain to object to aspects of the provisions for quality standards and the exemption of small farmers from the new tax. Mr Michael Jopling, the UK's Agriculmably be beneficial, although loan | ture Minister, has already warned demand in Japan is now so light that he will oppose moves that dis-

*PLESSEY HOTLINE **PLESSEY

calls - or the equivalent in

computer data, high speed facsi

mile and video - over a pair of glass fibres no thicker than a human hair.

Australia chooses Plessey optical fibre systems

It's the first phase in a fibre Australia, this is able to carry more

optics network that will eventually span the country, with deliveries from Beeston starting this year. This major contract success for Plessey - won against intense international competition - employs similar technology to the fibre optics systems designed by Plessey for the world's first commercial

565Mbit/s contract, between Nottingham and Sheffield Nottingham-Sheffield link was cut over last December, ahead of schedule, as part of

programme. Like the Plessey system for

USA decides on Plessey too Plessey has just signed a deal with

Granger Associates for a joint venture that will market Plessey out the USA. The deal is expected to generate sales worth \$50 million in the first

year.
This follows recent Plessey successes in winning orders for its 140Mbit/s and 565Mbit/s systems from the United Telephone Company of Florida and from US elecom of Kansas City,

The US Telecom order is for the Chicago-San Francisco link in the proposed 23,000-mile advanced telecommunications network in

With its consistent investment in research and development for fibre optic systems, Plessey expects to achieve at least a 15% share of the US market by 1990.



aged 20, who developed a respira-tory alarm to be placed beneath sleeping babies. It has been tested

on the children of ber fellow Last year Miss Richmond also won Plessey Radar's Technician of the Year award.

Enterprise



Traffic control for Ken

Plessey has won a £700,000 contract from Kent County Council for major traffic control reconfiguration. The existing system – supplied by Plessey in 1981 - provided fixed-time control of traffic signals in Rochester and Strood. Plessey then expanded the controlled area to cover Gillingham, and in. Maidstone introduced computer-

The reconfigured system - one of designed to meet Kent's trafficeon-trol needs over the coming years. controlled SCOOT (Split Cycle Offset Optimisation Technique),

Now Plessey will put SCOOT

system to encompass Chainam, Gillingham, Swanley (the M20/M25 interchange) and, eventually, Dover - all with SCOOT. HIGHLY ADVANCED

the most advanced of its type - is

Its modular nature will keep

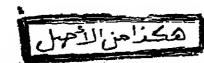


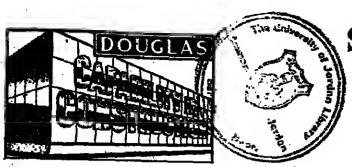












SECTION II - COMPANIES AND MARKETS

FINANCIALTIMES

Monday January 27 1986



EURONOTES AND CREDITS

Belgium breaks new ground with low-margin issue

ket, when it mandates a new \$500m

Never before has such a low margin been offered by a sovereign borrower, but competition for man-dates, more efficient funding techcourt a couple of years ago.

The starting point is the funding techniques now used by many banks which mean that Libor, like the US prime rate before it, has lost its significance as a benchmark low for cost of funds. On paper at least Libor has a built-in profit element which means banks can earn more than just the margin.

That may explain part of the trend, but there is a clear difference between the disappearance of prime as a benchmark and what is now happening to Libor. Access to below-Libor funds is not universal, being confined generally to larger banks with expertise in swaps. That means the closer the terms on credits get to Libor, the fewer the number of banks that will find them

Also, although there may well be funding profit in a credit as well as a margin, it accrues in most banks to the treasury side of the business, leaving the lending side with just the margin to show when its profits

are totted up. So why will some banks still contemplate deals on such fine terms? Belgium is not the only example still due to be mandated shortly is the \$250m credit for Standard Life Assurance, regarded as a rare and exceptionally good credit that could command a margin of % or better. One answer to this question lies in

credits out in the secondary mar-

see the loan off their balance sheet. That can substantially boost overall return on capital.

Particularly important in this re-spect are US accounting rules which make it possible to remove niques, and the growth of secondary market trading in loan assets, have made thinkable terms that would have been laughed out of any loan that is actually sold on any loan that any loan that is actually sold on. However this is not possible for a credit commitment such as an underwriting position in a Euronote facility. Moreover, when such deals are sold on, the front-end fees can be added immediately in full to earnings rather than amortised gradually over the credit's life.

Both the Belgian credit and the deal for Standard Life are likely to be fully drawn, and bankers believe the prospect of being able to sell them down is one reason why the margins are likely to turn out so low. But rate-cutting to these levels is still likely to prove a controversial move

deals reaching the market remain fine. Such was the case with Sweden's proposals to halve its \$4bn fader announced on Thursday, Initial market verdict was that the new of 5 basis points rising later to 6% points, are tight but manageable Even Thailand is now paying 10 basis points as a facility fee on the \$500m 10-year deal mandated on

Elsewhere, Norway's Christiania Bank has appointed Citicorp, Mer-rill Lynch, Morgan Stanley and PK Christiania (UK) as dealers on a \$200m Euro-commercial paper pro-

RELGIUM is expected to break the development of transferability new ground in the Eurocredit man which allows banks to sell such

per cent over London interbank of-fered rates (Libor) for at least part in the short-term loan market, for example, at or around Libor, allow-

None the less, terms on other

cility and renegotiate the remainterms, involving a commitment fee

Friday to Chase, Chemical, Industrial Bank of Japan, and Lloyds.

in good enough shape to welcome with open arms straightforward issues, particularly if priced to suit the issuer. But many big borrowers believe that interest rates are now at a low point, which they want to lock into, or they have large borrowing programmes that they must keep

fancy to a deal to tempt investors who are currently selective about buying bonds. That gives the investment bankers a chance to show just.

Morgan Stanley came up with an idea that many agreed was smart. Some borrowers are in the position of wanting to refinance existing high-coupon issues at today's lower rates but do not have call options on the earlier issues until later. They may think rates will be higher again by the time they can call the

how clever they can be in devising

Morgan Stanley worked out a way of issuing warrants now that have the effect of cutting the cost of the interest on the older deals and giving the possibility of substituting them for new, cheaper bonds when they become callable. Two borrowers, Nederlandse Gasunie (Nedgas) and Dutch State Mines (DSM), took advantage of the idea and bankers were combing through the lists to find more borrowers in a similar po-

writes Maggie Urry in London. The callable from March 1988 starting at 101. It might have been able to Eurodollar fixed-rate market is not launch a five-year issue now with a coupon of 8% per cent. Instead it issued 150,000 warrants at \$35 each, raising \$5.25m. They cannot be exercised for the first two years, while the earlier bond cannot be called, but pay interest of \$3% during this time. Thus investors receive an in-

come slightly higher than they would have expected from a bond The warrants can then be used to buy a 10% per cent bond maturing in 1991, a lower coupon than the existing issue, but a higher one than a theoretical new issue. By then, the old deal will be callable, so DSM's total outstanding debt need not

If, in 1988, warrant-holders look like exercising their warrants, the borrower can call the old bond and issue the new, cheaper one. If they do not exercise them, DSM will keep the warrant proceeds less the interest on them to bring down their overall cost.

refinancing rate compared with cur-warrants, priced at \$25, buy into a rent interest rates. The warrants 10% per cent bond. Warrant holders went well, Nedgas's trading well above the \$27% issue price, while DSM's were more muted, quoted just above the \$35 price.



Bankers devise novel ways to tempt investors

attempt, bringing a four-year bond - thought to be a good maturity for such credit - with warrants into an eight-year non-callable bond - per-haps attractive to those who believe

Chrysler is an improving credit.

The bond offered a yield margin above US Treasury paper of 164 ba-beir overall cost. above US Treasury paper of 164 ba-sis points, taking the 1½ per cent The only criticism was that DSM fees into account. They were tradstill locking into quite a high- ing just within that discount. The

ition.

Standard & Poor's, Bankers spend three-year life exercisable into a 10on a bond that does not pay a coubours trying to devise ways of maktranding issue of \$150m 11% per ing its deals attractive to investors. It Suisse First Boston handled the

vestors and a DDD rating from she some plain warrants with a imput to able to avoid paying tax
on a bond that does not pay a coubours trying to devise ways of maktranding issue of \$150m 11% per ing its deals attractive to investors. It Suisse First Boston handled the

deal alone and did not disclose an issue price. The warrants traded around \$17%.

Friday also saw another 30-year issue from the World Bank. This \$200m issue will be fully fungible with the \$300m deal done in December. The coupon and maturity is the same but the issue price has risen.

The European Investment Bank is another leading borrower and is always on the lookout for pockets of investor demand to tap. It must who do not exercise them can ask have found a pretty specialised for redemption of the warrants at a group to want to buy a bond paying price of \$17 during years five to a coupon every two years and with eight, and then at \$25 at maturity. Nikko Securities (Europe) as lead Chrysler is another borrower They were trading at a manager, the guess was that the with a problem. It needs to borrow a lot but has a poor name with investors and a BBB rating from sue some plain warrants with a might be able to avoid paying tax

One thing a number of borrow-ers, especially the US corporates, have not realised is just how much spreads, the yield margins over US market, Treasuries, have widened. They demand. know that they used to come on a spread of x basis points, and cannot elieve that they should now expect to pay x + y. The state of competition among lead managers is such that many will still try to do deals on spreads that are now too tight, and the inevitable result is a poor

The floating-rate note market has been in a sorry state, as US bank paper has fallen sharply in the wake of poor results from Bank-America. Prices have fallen as much as 50 basis points or, in rare cases, even more, with liquidity in the issues vanishing as market-makers refuse to take more paper

reception for the bonds.

on to their books.

The Euro-Australian dollar bond market has had another active week, and even in the US some box rowers such as Security Pacific an Sallie Mae have launched A\$ d nominated paper. Investors believ that what goes down should go usegain, and the currency has turned the corner this month. Add the pos sibility of exchange gains to co pons above 14 per cent and the a tractions are clear.

year to buy good-name, well-priced, fixed-rate public issues. So, despite a fairly quiet time in the secondary market, the new issues met good

The floater market may have a new test of its ability to take new paper if the European Community decides to go ahead with a deal ex-

The Swiss franc foreign bond market has run out of steam as the weight of new issues has begun to slow the pace. Only one public issue was launched last week. Recent deals are still meeting a reasonable reception when they reach the stock market with Settsu Paperboard's 15-year 5% per cent issue ending its first day at 99 on Friday, and the TNT equity-linked deal closing at its 101 issue price in Geneva. Today the Asian Development Bank's 30-year zero coupon issue is due to start trading.

| week, and even in the US some bor- rowers such as Security Pacific and | EUROMARKET TURBOVIER Turnover (\$m) | | | | | | |
|---|--|---|------------------------------------|--|--|--|--|
| Sallie Mae have launched A\$ de- nominated paper. Investors believe that what goes down should go up again, and the currency has turned the corner this month. Add the pos- sibility of exchange gains to cou- pons above 14 per cent and the at- tractions are clear. Even here, though, investors are | US\$ Prov Other Prov | y Market Straights 2,305.2 2,789.9 642.3 1,061.0 day Nark 22,115.4 19,000.7 6,632.2 5,736.6 | 937.5 1,001.9 125.6 167.7 | FRM 653.8 35.0 566.8 454.2 13,366.0 16,003.1 3,198.1 3,244.1 | 211.2 30.6 85.7 | | |
| choosy about the names they buy, and last week's deals were a mixed group. Support bids from lead managers can disguise the success of an issue in the grey market. In the D-Mark markets, investors last week got their first chance this | USS Prov Other Prov | Code 12,164 12,856 6,912 6,224 to January | .0 28 1.6 28 1.2 6 | 737.4 So | Total: 47,591,7 41,049,3 13,587.2 12,962,3 urca; AIED | | |

Crédit Suisse plans to expand activities in Germany

CREDIT SUISSE, third largest of by the end of June. The headquarthe Swiss banks, will shortly ters will probably be in Frankfurt.
streamline and extend its activities It will also set up representative in West Germany where it has taken over two credit institutes within emphasising its aim to gain new in Frankfurt.

The bank plans to merge its Ba- many. varian and Frankfurt-based operations under the name Schweizerische Kreditanstalt (Deutschland)

offices in Munich and Stuttgart,

This was announced in Frankfurt ed the number of employees by 10.9 to penetrate the key financial cen-by Mr Robert Jeker, chief executive per cent to 489. It now employs tre of Frankfurt via an office to be of Credit Suisse, as the bank intro- more people in Germany than established there by the Bavarian

time to the Frankfurt bourse.

business in the particularly dynamic economic region of South Germany in Germany had it took over Grundig Bank, based in raised total assets by 9.7 per cent to Furth, Bavaria, early last year.

DM 3.4bn (\$1.38bn), and had boost-Originally Credit Suisse planned

months to end-1985 the Credit an offshoot in West Germany when

duced its bearer shares for the first in any other country outside institute, But in the meantime Eflast May.

"The Frankfurt bank was re- D-Mark Enrobond issues. named CSFB-Effectenbank - un-London-based Eurobond issuing house, Credit Swiss First Boston, also has a stake in the firm.

CSFB-Effectenbank was quick to fectenbank Warburg in Frankfurt take advantage of the Bundes-Mr Jeker and other senior execu-tives revealed that in the nine the major Swiss banks to establish it Suisse bought it with effect from the German capital market. It has already acted as lead-manager for

> This capital market busin declining that the group's dynamic alone will continue to be handled under the name CSFB-Effectenbank, even after the general change of name by mid-year.

This announcement appears as a matter of record only.



Scandinavian Airlines System DENMARK NORWAY SWEDEN

SFr.200,000,000

5³/₄% Subordinated Bonds 1986ff

Citicorp Investment Bank (Switzerland)

Banque Scandinave en Suisse

Banca del Gottardo Bank Heusser & Cie. AG Bank in Liechtenstein Aktiengesellschaft Banque Kleinwort Benson SA Manufacturers Hanover (Suisse) S.A. Morgan Guaranty (Switzerland) Ltd. Soditic S.A. Chase Manhattan Bank (Switzerland) Chemical Bank (Suisse) Credit Lyonnais Finanz AG Zürich First Chicago S.A. Nomura (Switzerland) Ltd. The Royal Bank of Canada (Suisse) Wirtschafts-und Privatbank

Kredietbank (Suisse) S.A. Nordfinanz-Bank Zürich Clariden Bank Lloyds Bank International Ltd. Amro Bank und Finanz Banque CIAL (Schweiz) ustriel d'Alsace et de Lorraine AG-Armand von Ernst & Cie. AG Banco di Roma per la Svizzera Banque Générale du Luxembourg (Suisse) S.A. Banque Indosuez, Succursales de Suisse Banque Morgan Grenfell en Suisse S.A.

Caisse d'Enargne du Valais Fuji Bank (Schweiz) AG Gewerbebank Baden Handelsfinanz Midland Bank Hypothekar-und Handelsbank Winterthur Maerki, Baumann & Co. AG Sparkasse Schwyz

January, 1986

CITICORP INVESTMENT BANK



£100,000,000

Ferrovie dello Stato

Floating Rate Notes Due 1995

By virtue of existing legislation direct and unconditional general obligations of

The Republic of Italy

MORGAN GUARANTY LTD

BANCA COMMERCIALE ITALIANA

BANK OF TOKYO INTERNATIONAL LIMITED

BANQUE INDOSUEZ

CREDITO ITALIANO

DAIWA EUROPE LIMITED

EF HUTTON & COMPANY (LONDON) LTD

KIDDER, PEABODY INTERNATIONAL LIMITED

MITSUBISHI FINANCE INTERNATIONAL LIMITED

SAMUEL MONTAGU & Co. LIMITED SAUDI INTERNATIONAL BANK

SUMITOMO FINANCE INTERNATIONAL LIMITED

S. G. WARBURG & CO. LTD.

BANCO DI ROMA

BANQUE BRUXELLES LAMBERT S.A.

CRÉDIT LYONNAIS

Dai-Ichi Kangyo International Limited

HAMBROS BANK LIMITED IBJ INTERNATIONAL LIMITED

LTCB International Limited

MITSUI FINANCE INTERNATIONAL LIMITED

SAITAMA BANK (EUROPE) S.A.

SHEARSON LEHMAN BROTHERS INTERNATIONAL

TAKUGIN INTERNATIONAL BANK (EUROPE) S.A.

21 st October, 1985

All of these securities have been sold. This announcement appears as a matter of record only.

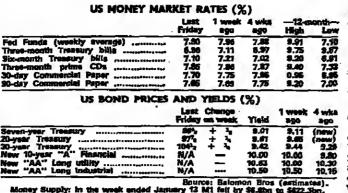
US MONEY AND CREDIT

Cross-currents leave traders all at sea

THE US credit markets were swept by strong cross-currents last week, including a mixed bag of economic statistics and the sharp drop in oil prices, which generated new confusion in the financial markets. Bond prices, responding to this uncertainty, ended the week little changed to slightly firmer. The holiday-shortened trad-

ing week started out on a weak note following disappointment over the apparent failure of the London G-5 meeting to reach agreement on any COordinated plan for interest rate

However, this disappointment soon gave way to confusion as the markets attempted to assess



the impact of the plunge in oil prices triggered by the supply glut,

"Apart from the difficult question of where oil prices

"Apart from the difficult and abroad are not clear cut,"

will settle, the ultimate effects by Henry Kaufman, Salomon Brothers' chief economist, says in his latest comments on credit.

While the decline in oil

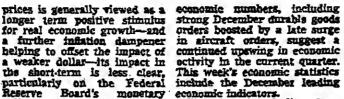
for real economic growth—and a further inflation dampener helping to offset the impact of a weaker dollar-its impact in the short-term is less clear, particularly on the Federal Reserve Board's monetary

Most of Wall Street's senior economists believe that the prospect of somewhat stronger economic growth coupled with the more immediate evidence of renewed economic momentum and a new weakening in the dollar should provide the Fed with good reasons to hold steady for the moment.

Last week brought a down-ward revision in the estimate of fourth-quarter real economic growth to 2.4 per cent, down from the "flash" estimate of 3.2 per cent. However, other

1564 +54 -0.40

Che on Che of Ch

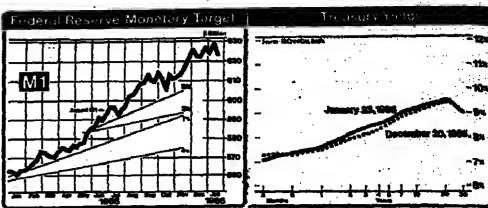


The oil price decline does, however, have other potentially however, have other potentially serious consequences, including its negative impact on domestic and LDC oil producers and US bank lenders. This was reflected in the US markets last week in a modest flight to quality which helped push Treasury T-bill rates down by between five to 15 basis points.

The prospect that troubled US financial institutions might require assistance from the Federal Reserve in its capacity

Federal Reserve in its capacity as lender of last resort is seen some economists as exerting dditional eventual pressure on

he Fed to ease. "Concern over the conse-quences of the oil price slide, the need to co-operate with lapan and stabilise the dollar, as well as lender of last resort responsibilities should outweigh misguided concerns that



and we are the second of the s

the Fed appears determined to leave any interest rate initia-tive up to its Western partners as was evidenced in a speech

last week by Mr Gerald Corrigan of the New York Fed. Mr Corrigan told his audi-ence: "Faster economic growth in other industrial countries is not a luxury, it is a necessity," and suggested that high un-employment and low inflation abroad offer the "opportunity for more growth-orientated poli-

The Fed's recent open-

inflation is speeding up and that the economy is overheating," says Philip Braverman of Briggs Schaedle.

For the moment, however, contained seasonal upward pressure on the Fed funds rate—
indicating that the Fed is continuing to maintain a funds
rate objective of around ?? per
cent and a discount window
borrowing target of around
and

Last week after bouncing Last week, after bouncing around, Government bond prices closed the week posting gains of between 1 and 1 of a point. The Treasury long bond gained 1 of a point to 1041. Significantly, although the Treasury yield curve has become a little more positive

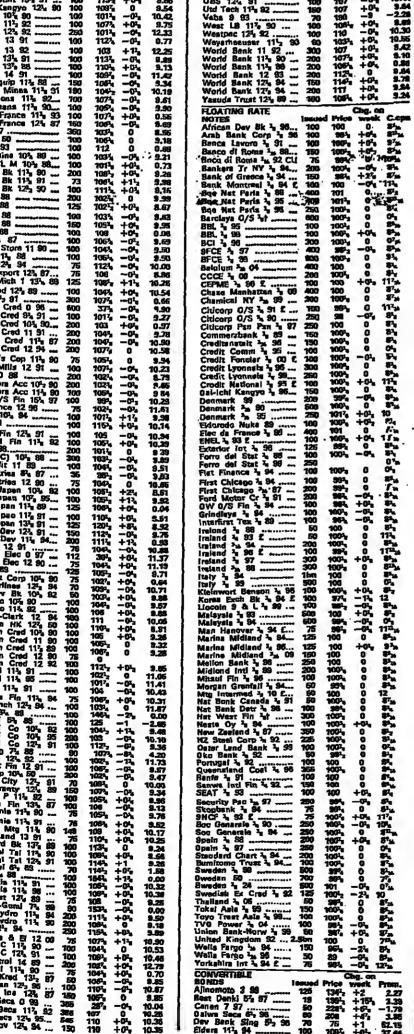
20 basis points above its flattest curve of the last 12 months, but at 64 basis points the seven-to-20 year portion of the yield curve is near its most positive spread of the year,

In the corporate markets bond prices were generally unchanged prices were generally unchanged to slightly firmer while new issue yield levels were unchanged to 15 basis points lower. Among the new issues traded for the first time last week Bank of Boston sold \$100m of 77 per cent 25-year bonds at par and Security Pacific sold \$175m of five-year **Paul Taylor**

FT/AIBD INTERNATIONAL BOND SERVICE



703% 701% 706% 7111% 702% 703% 705% 706% 706% 706% 706% 706% 706% Florida Fed 123 89



Cbg. on vyeck +2 +153 +64 +47 +1 +07

UK GILTS Political and oil price doubts cloud market

AT THE start of last week a rise in base lending rates seemed to many the next best thing to inevitable. But by Friday parts of the gilts market were beginning to look as

7.78 on Westland.
7.25 The Bank of England spent
8.27 much of the previous week
8.27 burling liquidity at the shorter
8.50 end of the market, and this
8.60 manoeuvre was still in effect
8.50 up till Wednesday. Thereafter,
8.70 the authorities gave the im9.84 pression of falling back on the
8.52 power of prayer. Helped by 9
8.53 stabilisation of crude oil prices power of prayer. Helped by a and on the political front, I stabilisation of crude oil prices at \$18.50 a harrel, the Bank very likely over the name and the Treasury second of the prices are stable to the Bank very likely over the name and the treasury second of the prices are stable to the price

win-on interest rates, if not

stabilisation of crude oil prices at \$18.50 a harrel, the Bank and the Treasury seemed close to holding off a base rate rise, at least mill today's emergency debate in Parliament on West land is over.

Yield Dominouth interbank rate spent much of Friday below 13 rise in rates.

Yield Per cent and three-month money fell hack to 13½ per cent. This still puts pressure on the first puts pressure on the first good enough to last mill next week's Opec (Organisation of Petroleum Exporting Countries).

Solution of crude oil prices still feel a rise in base rates is which put on a brave show last week after the ignominy of producing a return less than inflation in 1985. After slight gains on Wednesday and Thursday and the result and the Government bas decided that one crisis at a time is enough, but it is difficult to see how they can get out of a rise in rates.

If base rates move to 14 per cent index-linked gilts gained up to 1½ on Friday.

Leading the way was the tap to 1½ per cent index-linked gilts gained up to 1½ on Friday and the treatment on the first the index-linked gilts gained up to 1½ on Friday and the treatment on the first the index-linked gained up to 1½ on Friday and the treatment on the first the index linked in t

to prop up oil prices.

Whether or not the Government has lowered its target range for sterling brokers are growing more relaxed about the chances of holding to infistion targets with a change fision targets with a cheaper pound. A trading range of 74 to 80 on the Bank of England's index now causes little anxiety and some analysts argue that at current oil price levels a drop to 70 would not be a damaging

However, the market is still holding its breath. "Given the

despite interest rate worries, but the continued ramifications of Westland could put paid to that, brokers now feel.

"Political uncertainty is now firmly on the market's agenda," says Mr Peter Feliner of James Capel. "It can be argued that the latest twist in the Westland affair is potentially the most damaging to Mrs Thatcher herself and could thus pose a more self and could thus pose a more serious threat to the long-term credibility of anti-inflation policy than the oil price col-lague."

this is the index-linked sector, which put on a brave show last

without a tap in the index— linked sector but some brokers believe the Bank has had to buy back stock and could be a seller again this week.

The Bank ended the week by taking onto its own books fibe of a newly created stock, 10 per cent Treasury 2003. Priced at 93; parily paid it yields 10.83 per cent. With the final instalper cent. Will the most lessar-ment not due to April 14, into the next tax year, it adds to the impression that the authorities are fairly related about funding their borrowing requirements.

"There has been a build-up of demand for stock in the gilt edged market in recent days, but it is doubtful whether that but it is doubtful whether that demand in itself is sufficient to exhaust this fresh issue," com-ments Mr Siephen Lewis of Phillips and Drew, "The authorities must be counting on something else to generate de-mand for gilts, if indeed their actions have an internal logic at all."

at all." Could that something else be the rise in base rates they have resisted so bard for the last

George Graham



U.S. \$100,000,000

11% Serial A Notes Due 1995 with 100,000 Warrants to subscribe for U.S. \$100,000,000 11% Serial B Notes Due 1995

Payment of principal and interest unconditionally guaranteed by The Republic of France

MORGAN STANLEY INTERNATIONAL

SALOMON BROTHERS INTERNATIONAL

BANKAMERICA CAPITAL MARKETS GROUP

BANQUE BRUXELLES LAMBERT S.A.

BANQUE INDOSUEZ

CREDIT AGRICOLE

BANQUE NATIONALE DE PARIS CREDIT LYONNAIS

CREDIT SUISSE FIRST BOSTON GOLDMAN SACHS INTERNATIONAL CORP.

DEUTSCHE BANK CAPITAL MARKETS

MORGAN GUARANTY LTD

MITSUI TRUST BANK (EUROPE) S.A.

IBJ INTERNATIONAL KLEINWORT, BENSON

THE NIKKO SECURITIES CO., (EUROPE) LTD. SHEARSON LEHMAN BROTHERS INTERNATIONAL

PRUDENTIAL-BACHE SECURITIES INTERNATIONAL

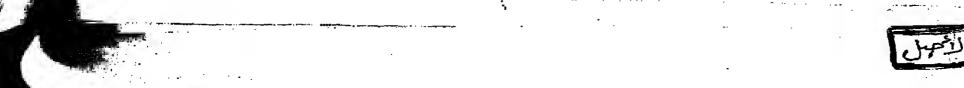
SWISS BANK CORPORATION INTERNATIONAL

SOCIETE GENERALE

WESTDEUTSCHE LANDESBANK GIROZENTRALE

January 27, 1986

COUNTY BANK





GUNNESS ANI) DISTILLERS.

Last Monday morning, we announced an agreed offer for The Distillers Company plc.

We would like to explain the motive behind this move.

There is a rare compatibility between our two companies.

We are both custodians of enduring drink brands.

We are both dedicated to building and exporting those brands all over the world.

And we have both developed strong international sales networks to help us do so.

Why should we join forces?

Well, like the car industry of today, the worldwide drinks business of tomorrow will be a battle of giants.

With Distillers we will be of a size to compete with the 'big boys' from the USA, Canada, the Continent and Japan.

It is not simply a case of Guinness being good for Distillers, but a case of the joint enterprise being good for Britain.

GUINNESS PLC

This advertisement is published by Morgan Grenfell & Co Limited and The British Linen Bank Limited on behalf of Guinness PLC. The Directors of Guinness PLC are the persons responsible for the information contained in this advertisement. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this advertisement is in accordance with the facts. The Directors of Guinness PLC accept responsibility accordingly.

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

the second secon

CORPORATE FINANCE

Testing time on Wall Street for Murdoch

MR RUPERT MURDOCH'S been known for some time. Mr So far, so good. But what showdown with UK print Murdoch has inherited some happens after Mr Murdoch unions is likely to cause some \$1.45bn of high risk Metro-takes control? In 1985 Metrounions is likely to cause some nervous tremours on Wall Street, where more than 200 in stitutions and wealthy investors will soon have to decide whether they will back his \$1.55bn plan to challenge the big three US television networks with his new Fox TV network.

The possibility that be may face a prolonged industrial dispute in the UK, the major plan to break into US television.

It is almost nine months since the Australian-born publishing entrepreneur announced plans to boy six US TV stations from Metromedia, but it was only last week that the full financial details became available in a 470-page filing with the Securities and Exchange Commission (SEC) which the Securities and Exchange
Commission (SEC) which
underscores the risks of Mr
Murdoch's latest project.
The broad outline of the

media securities, commonly referred to as "junk" bonds which he bopes to swap for \$1.5bn of his own "junk"

\$1.5bn of his own "junk" about covered the \$132.3m of paper — increasing rate exchangeable gueranteed preferred stock in Fox TV.

Interest rates on the Murdoch paper rise from 13 per cent in year one to 15 per ceot in year three. To sweeten the deal, Mr Murdoch bas promised that if the securities have not been dech's refnancing package is to profit contributor in his worldwide media empire, could redeemed by 1989, bolders will threaten his efforts to win Wall be issued with fractional rights Street backing for his ambitious to purchase common shares in be issued with fractional rights to purchase common shares in News Corporation, his Austration will have its work cut to keep its head ebove

In addition, there is provision for a standby US public offering of Fox TV preferred stock, in case the Metromedia bond bolders fail to take up all the \$1.15bn. The securities will be traded on the American Stock Exchange.

News Corporation has already arranged a \$670m bank loan, and this is being used to finance the rest of the purchase price and provide some extra working capital for Fox TV.

So far, so good. But what for common shareholders. media Broadcasting had an estimaled operating cash-flow of \$143.9m and while this just about covered the \$132.3m of

doch's refinancing package is to cut the financing costs but, even

On a pro forma basis News Corporation's earnings in its last fioancial year to end June 1985, end in the first quarter of its current year, would not have been sufficient to meet the payments on the new Fox preferred stock. According to the SEC filing, News Corporation would have had a net loss of A\$220.9m (US\$158m) in 1984-85, com-pared with its reported A\$143.7m net income available

Based on Australian accountdoes not lead to any significant change in News Corporation's Long-term debt rises from A\$1.12bn at end-September 1985 to A\$2.57bn, while stockholders equity rises from A\$1.33bn to A\$2.96bn on a proper paring to issue. News Corporations and the results of the res

forma basis. However, if News Corporation's balance aheet is reworked using US accounting principles the result looks very different. Stockholders' equity remains un-changed at A3373m while loug-term debt rises from A\$1.26bn to A\$4.34hn.

The main reason why the pro-forma accounts show that News Fox preferred stock was heavy losses at Twentieth Century Fox, the famous Hollywood film studio, which will supply much of the programming material for Fox TV.

The combination of a new management team and extensive cost cutting returned Fox Film to profit in its latest quarter.

as long as it does not have to cover any more substantial losses at Fox Film, it believes that it will be able to meet its Fox TV preferred stock obliga-

tion wants to treat it as debt but has warned that the US tax authorities could well disagree. This could adversely affect the cash-flow and willingness of existing Metromedia bondholders to opt for Fox paper rather than cash.

Mr Murdoch no doubt believes that the time is ripe to chal-lenge the UK print unlons, but if the dispute drags it could his US adventure.

It will not have escaped the attention of Wall Street's "junk" bond specialists that well over half of News Corporation's operating profits in the latest three months came from the UK.

William Hall

Texaco accounts may be qualified

BY WILLIAM HALL IN NEW YORK

TEXACO, the US oil giant, increased its net income in 1985 by 15

per cent to 31.23bn, but this figure

does not include manufacture of the litigation bad been known. does not include provision for the \$11.1bn damages award against the company resulting from its 1984 takeover battle for Getty Oil. As a

result the company's 1985 accounts might have to be qualified.

Texaco, which threatened to file for bankruptcy if it was forced to that might have been required if for the year against \$20.9bn in 1984.

pany's anditors, has advised Texaco sthat their opinion may state that their opinion may state that their opinion of Texaco's funncial statements will be subject to the affact of adductionable if any part of the affact of adductionable in the final quarter of the affact of adductionable in the final quarter of the adduction of the affact o

NEW INTERNATIONAL BOND ISSUES

"is not presently determinable." As Royal Dutch/Shell, showed a 7.4 per a result, Arthur Anderson, the com-

Revenues amounted to \$20.55n

| Borressers | Amenust | Metarity | Av. It's years | Coupen % | Price | Book Runner | Office yield |
|--|--------------|----------|-------------------|-------------|--------|--------------------------|--------------|
| U.S. DOLLARS | | | | | | Daires (Europe) | 4.79 |
| Somitomo Corps. 72 | 128 | · 1991 | 5 | 474 | 100 | Makes (Corope) | 4.87 |
| Tatalic Chamical 11 | 30 | 1951 | 5 | 4% | 100 | | 7.20 |
| W.R. Grace 5‡ | . 250 | 2001 | 15 | 7 | 108 | CSFB | 9, 12 |
| Credit National ‡ | 150 | 1993 | 7 | EV: | 188 | CSFB | 1.75 |
| WW inc. 1 | . 108 | 1993 | 7 | 834 | 100 | Morgen Gueranty | 8.38 |
| Morrie Lymch 🕽 | 298 . | | . 3 | 2 | 10074 | Merrill Lysich | 5.59 |
| EC 1 | . 150 | 1981 | 5 | 85/2 | 1901/4 | Chicarp Inv. Benk | 4.02 |
| irst interstate (a) † ‡ | \$8 | 1255 | 10 | 20bp | 108 | Milde Secs. (Europe) | 3.31 |
| mag: | 258 | 1981 | | 274 | 19074 | Morgan Stanley | 2.25 |
| Vestyne Banking Ø1 | 100 | 1996 | 10 | 10 | 1807h | Morgan Stanley | |
| Hickey ! | . 200 | 1225 | 15 | 18 | 190% | Marill Lynch | 9.85 |
| labina 27 | 408 | 1991 | - | (b) | 100.05 | Salomon Brothers | |
| Attachishi floory ind. T | Z50 | 1991 | 5 | (47/4) | 100 | Milding Sucs. (Europe) | |
| estralia (c)İ | . 200 | 1985 | 15 | 544 | 99.55 | Morgan Stanley | 8.53 |
| ustralie (c) I | 300 | 2805 | 20 | 9% | 99.20 | Morgan Stanley | 9.9E |
| Vorld Bunk (d) 1 | 200 | 2015 | 30 | 974 | 10174 | Deutsche Bk Cap. Mikts. | 8.62 |
| System OT | 100 | 1990 | 4 | 10 | 1001/4 | Morgan Guaracty | 9.82 |
| 38 (e)1 | 200 | 1996 | 10 | 151/4 | 79.70 | Mikin Secs. (Europe) | 9.19 |
| USTRALIAN DOLLARS | | | | | | | |
| lanco di Rome 1 | 40 | 1551 | | 1414 | 180% | CIBC | 13.231 |
| SL Bank 1 | . 40 | 1991 | 5 | 1414 | 100% | J. H. Schroder Wegg | 14.10 |
| AS: | 58 | 1985 | 3 | 14V4 | 18654 | Mornay Stanley | 13.32 |
| tank of News Scotia 1 | SO | 1985 | 3 | 143/2 | 1861/2 | Goldman Sechs | 14.15 |
| -NARKS | | | | | | | |
| | 300 | 1396 | 10 | 170 | 100 | Destacio Sank | 8.37 |
| appropriate to the state of the | 150 | 1996 | 18 | 876 | 100 | Dresdoer Back. | 9.475 |
| BC Finance T | 200 | 1996 | 18. | 234 | 120 | Schweizerischer Morerein | 2.750 |
| infi T | 180 | 1993 | 7 | (374) | 180 | BHF-Back | |
| | | 1995 | 10 | 83/4 | . t00 | Westin | 8.37 |
| MT : Krashishi Heavy Ind. 5 | 208 208 | 1892 | | (23b) · | 100 | Deutsche Benk | |
| WISS FRANCS | | | | (= /6/ | | | |
| ichirai Corp. ** 7 I | 133 | 1391 | _ | 244 | 100 | URS | 2,752 |
| er. Occidentale | 125 | 1995 | | (5%) | | Southic | |
| briariey her. 5 | 180 | 1994 | .= | (5) | 100 | Lloyds Bank hat. | • |
| Verid Bank 1 | 258 | 2018 | - T | 514 | 2934 | Dredit Seisse | 5.517 |
| redit Foncier I | 150 | 2001 | _ | 514 | 1881/2 | Solitic | 5.077 |
| Stablehi Monanto **1 | | 1981 | | 54 | 397/4 | SBC | 5.30 |
| 18 °°‡ | . 100 | 1993 | Ξ. | 474 | 100 | 286 | 4,975 |
| | | | | | | | |
| rees. Drp. N.Sth.Wales ; | | 1993 | 7 . | # % | 108% | Beneue Parkes | 8.801 |
| RIFLDERS | | | | | | 1.2.4 | |
| lunter Bouglas ** ‡ | Sa | 1951 | 5 | 7 | 100 | ARM . | 7.000 |
| ir Products ***‡ | 189 | 1991 | 5 | 674 | 991/2 | Ames | 8.472 |
| DENIEDURG FRANCS | | | | | | | |
| hristiania Bank **; | 300 | 1991 | - 8 | 1 | 198 | liqu Paribas (Luxana.) | 8.030 |
| EN STA | 20ha | 4804 | | | 466 | W | |
| abote ¶‡ | | 1981 | 5 | 3 | 160 | Yamaichi htt. (fin) | 3.000 |
| eneficial Corp. 2 | 10to | 1905 | | 8 V4 | 181 | Yamalchi Int. (Etr) | 6.599 |
| Fait Disney ‡ | 18ha | 1996 | 10 | E-40 | 1801 | Bk of Assertes let. | 6,555 |
| wedish Ex. Cr. 1 | 10.140m | 1996 | 14 | *** | 192 | Milio Secs. (Europe) | 6.349 |
| ondyear Tire & Hole. \$ | Tillen | 1996 | 10 | #%k | 100 | Oakers Europe | 6.625 |
| ores Exchange Bank 1 | 30ta | 1996 | 18 | 8.8 | 99.72 | Daine Secs. | 6.959 |

"Not yet priced. I Final terms. "" Private placement. 5 Convertible. 7 Hanting rate note. " With equity wearants. (b With bond wearants.

8 Deal currency. (a) 20hy over fire Libor. (b) Equal to Sin Libor (c) Registered with US S.E.E. (d) Finglish with 530ths issue. (e) Bi-contel.

Note: Yields are-talculated on ANNE basis.

Jardine Matheson to buy US insurance group

BY DAVID DODWELL IN HONG KONG

HONG KONG-BASED Jardine whose US subsidiary ranks as the Matheson Holdings has agreed to country's 11th largest broker. Emett acquire Emett and Chandler, the and Chandler is ranked just behind US insurance group, in a USS61.9m Jardine's US subsidiary, and had deal intended to consolidate the revenues in 1985 of about US\$45m. group's place among the world's top

concrete sign of recovery at Jardine after two embattled years marked by high debt, heavy provisions expanded rapidly since 1979, when against extraordinary losses, and a it did not rank among the world's programme of property and ship disposals. It also marks a dilution of the group's dependence on Hong

to pay US\$19 in cash for each of the 3.28m shares in Emett and

Emett's strong business providing insurance brokers. insurance services to major US cor-The acquisition comes as the first porations is seen as complementary to Jardine's current US business. Jardine'a insurance business has

expanded rapidly since 1979, when top 80 insurance brokers. Since the rapid expansion in Europe and the, US has been complemented by a collaboration agreement with C. Jardine, a diversified group with Itoh, Japan's third largest trading interests in financial services, mar-house, and with the acquisition of keting, engineering and property, is Australian insurance brokers, to make Jardine the fourth-largest broker in Australia. The group said yesterday the new combined group

The acquisition is a measure of Jardine's recovery after three years dominated by disaster management in the wake of the 1982 collapse of the local property and stock

The purchase in late 1980 of a strategic 36 per cent stake in Hong-kong Land for HKS6bn effectively crippled the company. Hongkong Land went to the verge of bankruptcy in the property market collapse, and even now its share value is barely half that paid by Jardine in 1980. Hongkong Land has paid no dividends, and instead has cost Jardine dearly in its share of interest group's HK\$11bn debt.

Emett will be merged with the would have revenues amounting to Investments since 1980 in ship- est rates have fallen, so the debt ress, and worries over fallen insurance brokers group. US\$170m, and would be the eighth ping, offshore, oil, and property, repayment burden has been light- the territory were acute.

largest insurance group in the have also been acknowledged as ened. The drain into Hongko mistaken and costly, and the group Land has also eased as that group's is in the process of disentangling it-debt costs have fallen, and as it self from them. It is selling its fleet, edges back into profit. The US ac-

> strong recovery from 1984 losses passing HKS900m when it reveals 1985 results in March. Provisions against losses in oil operations and in shipping are still expected, but these have been offset by the extraordinary gains from property when the group moved its corporat

Its own debts have been trimmed hard - from HK\$4.7bn at the end of 1984 to perhaps half that figure at

which now consists of nine vessels compared with a peak of 35, and has disposed of properties in London, Hawaii and Hong Kong.

quisition also reduces Jardine's dependence on Hong Kong, where it has one third of its affiliates, three quarters of its assets (most of these quarters of its assets (most of these quarters of its assets (most of these tied up in Hongkong Land) and about a half of its earning power.

no particular reference to this diludomicile to Bermuda in the middle of 1984. This move was widely re garded as a vote of no confidence in Hong Kong's future at a time when secret Smo-British negotiations on the end of 1985 - and as local inter- the territory's future were in prog-Investments since 1980 in ship- est rates have fallen, so the debt ress, and worries over the fate of

Istituto per lo Sviluppo Economico dell'Italia Meridionale

ECU75,000,000

Medium-Term European Currency Unit Loan

Lead managed by

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

BACOB S.C. BANQUE BRUXELLES LAMBERT S.A. CASSA DI RISPARMIO DELLE PROVINCIE LOMBARDE-CARIPLO

F. VAN LANSCHOT BANKIERS N. V. THE MITSUI BANK, LIMITED

BANQUE INTERNATIONALE À LUXEMBOURG DIE ERSTE ÖSTERREICHISCHE SPAR-CASSE-BANK THE LONG-TERM CREDIT BANK OF JAPAN. LIMITED THE SUMITOMO TRUST & BANKING CO., LTD.

ASLK-CGER BANK BANQUE RÉGIONALE D'ESCOMPTE ET DE DÉPÔTS THE INDUSTRIAL BANK OF JAPAN, LIMITED THE NIPPON CREDIT BANK, LTD. Société Générale Alsacienne de Banque

BACOB S.C. Banque Internationale à Luxembourg DIE ERSTE OSTERBEICHISCHE SPAR-CASSE-BANK THE LONG-TERM CREDIT BANK OF JAPAN, LIMITED MORCAN GUARANTY TRUST COMPANY OF NEW YORK ASLK-CCER BANK

BANQUE BRUXELLES LAMBERT S.A. Cassa di Risparmio delle Provincie Lombarde F. VAN LANSCHOT BANKIERS N. V. THE MITSUT BANK, LIMITED THE SUMITOMO TRUST & BANKING CO., LTD. BANQUE RÉGIONALE D'ESCOMPTE ET DE DÉPÔTS

THE NIPPON CREDIT BANK, LTO.

THE INDUSTRIAL BANK OF JAPAN, LIMITED Societe Générale Alsacienne de Banque

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

October, 1985

This announcement appears as a matter of record only:

US\$100,000,000

Floating Rate Participation Certificates Due 1992

issued by Morgan Guaranty CmbH for the purpose of making a loan to

Istituto per lo Sviluppo Economico dell'Italia Meridionale

MORGAN GUARANTY LTD

Banca Commerciale Italiana

BANKAMERICA CAPITAL MARKETS GROUP

BANK OF TOKYO INTERNATIONAL LIMITED BANKERS TRUST INTERNATIONAL LIMITED

BANK OF YOKOHAMA (EUROPE) S.A., CIBC LIMITED

CREDIT SUISSE FIRST BOSTON LIMITED

FUJI INTERNATIONAL FINANCE LIMITED

E. F. HUTTON & COMPANY (LONDON) LIMITED MITSUBISHI FINANCE INTERNATIONAL LIMITED

IBJ INTERNATIONAL LIMITED MITSUBISHI TRUST & BANKING CORPORATION (EUROPE) S.A.

MITSUI FINANCE INTERNATIONAL LIMITED

ORION ROYAL BANK LIMITED

MORGAN STANLEY INTERNATIONAL TAKUCIN INTERNATIONAL BANK (EUROPE) S.A.

DEAN WITTER CAPITAL MARKETS-INTERNATIONAL

11th October, 1955

All of these securities have been sold. This announcement appears as a matter of record only:



\$ 4 " 4 \$

Vothing personal Argyll. Butwenow have a proposal hat we believe is inthe interest our shareholders.

Guinness will bring to the merger with Distillers the very attributes that Argyll lack.

They are more of an international company than Argyll.

They are steeped in the drinks business, not bred in the grocery trade.

They are experienced in marketing products at a premium price, as opposed to mainly discount retailing.

Most important of all, they have a long experience of the true value of world famous brands. Since 1983, our new management team has set about reviving our company's fortunes.

With considerable success.

The merger with Guinness provides the opportunity to accelerate that revival as well as broaden our base at home and abroad.

We believe the Guinness merger will help us make more of our many assets, whereas Argyll's commercially illogical offer would put them at risk.

The Distillers Company plc.

This advertisement is published by The Distillers Company plc, Whose directors (including those who have delegated detailed supervision of this advertisement) have taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate. Each of the directors accepts responsibility accordingly.

180 F.F. 15:1 250 195 Abbott Mead Vickers. 616 -3 bg. 8 5: 1.971,1 15:6 F.P. 9:1 196 174 Abbott Mead Vickers. 616 -3 bg. 8 5: 1.971,1 bg. 85 1.972,1 bg. 85

190 F.P. 101 123 116 Figure Vert 100. 118 -2
1136 F.P. - 120 115 Keerfold Inc. 80.01. 115 -2
115 F.P. 72 126 110 Leaven to, 80.01. 117
105 F.P. 991 100 119 Macro 4 5p
1190 F.P. 991 100 91 Five Norman Systems 10 93
100 F.P. 91 110 106 acc inml. 100. 116
116 F.P. 142 107 90 Figure Inc. 80.01 116
117 F.P. 142 107 90 Figure Inc. 80.01 116
1181 F.P. 142 107 90 Figure Inc. 80.01 116
1191 F.P. 142 107 90 Figure Inc. 80.01 116
1197 F.P. 1205 277 Storehouse 10p 207 -4
1290 F.P. - 105 67 FWYOrks.Ind.Htm.50p 67

FIXED INTEREST STOCKS

Nigh

RIGHTS OFFERS

EQUITIES

Yarrow expects 96% profits jump to £3m

Yarow, the engineering group tial hook loss to pay share fighting off a £16.5m takeover hid from Weir Group, its Glasgow sation received for the nationalineighbour, yesterday forecast its pre-tax profits would rise 96 per cent to at least 53m in the year Weir was critical of the pending time 1000. ending June 1986.

It promised shareholders e

Weir was critical of the pen-sion holiday contribution to Yarrow's profits and accused Yarrow of botrowing Weir's ideas

It promised shareholders e near 17 per cent increase in dividend, from 12p to 14p. Mr Harry Fryer, managing director, said this relatively small rise compared to the profits jump was "a dividend we can live with in future."

The forecast profit increase is partly due to a £500,000 contribution from a pension payment boliday and the absence of the £400,000 stock write-offs 9t Yarrow's Control Systems subsidiary which depressed the previous year's figures.

Yarrow has, however, calculated it faces a £500,000 extraordinary charge relating to a potential loss on the sale of its defence against the Weir hid.

It is selling its gilts at a poten-

Astra losses increase to £139,000 halfway

The loss of Astra Industrial Group, engaged in engineering, leisure activities and property, rose from £63,000 to £139,000 in the half year ended October 31 disturbance caused by a major 1985, although turnover was ahead from £1.97m to £2.55m. Mr Dobson says close attention Astre has been in loss for the past two financial years, incurring £1.46m in 1983-84 and £102,000 last time. Mr Philip 2002,000 last time. Mr Philip increasing in that field. Proceeds Dobson, the chairman, says the directors continue their programme of recovery and restructuring, and concentrating on those areas which show the best growth potential.

He says in the half year engineering turnover improved from £1.57m to £2.15m, as the new acoutisitions made their McKechnle Brothers. The

new acquisitions made their mark — Ihis Manufecturing \$426,000 and Cresta Technology \$238,000. The Ibis contribution was not as a great, as expected because of difficulties in the manufacture and fabrication of companying but Cresta made a

manufacture and fabrication of newman to between components, but Cresta made a per cent.

McKechnie announced on McKechnie announced on Ministream divisional products Friday it had bought 2.45m suffered from a similar sales shares, or 5.5 per cent of Newman. It has since purchased neglect taking its holding mainstream divisional products suffered from a similar sales pattern to previous years, and the policy of easing seasonal fluctuation in turnover has not flowed through. Engineering frading profit was £100,000 McKechnie's two-for-three share of the policy of the policy of easing seasonal fluctuation in turnover has not flowed through. Engineering McKechnie's two-for-three share of the policy (£183,000)

The leisure division maintained turnover at £337,000 (£330,000) and trading profit at £29,000 (£31,000) despite the

Mr Dohson says close attention is being paid to the disposal of the property investment portfolio as there is no intention of increasing in that field. Proceeds

McKechnie Brothers, the plastic and non-ferrous metals group which last Thursday launched a f62m takeover hid for Newman Tonks Group, has increased its sharehniding in Newman to between 9 and 10

Guinness denial over sale of Bells

By Mark Meredith

MR ERNEST SAUNDERS, chief executive of Guinness, yesterday firmly decied 6 press report that the merged Guinness/Distillers
group would sell off the Scotch
whisky subsidiary Arthur Bell
& Sons, which Guinness
acquired last year.

Guinness is anxious to avoid having its agreed £2.2hn bid for Distillers referred to the Monopolles Commission, when the rival £1.9hn uffer from Argyll Group has already been cleared.

At e press conference in Classes yesterday Chinase

At e press conference in Glasgow yesterday, Guinness produced figures to show that DCL and Beils combined would control 37.4 per cent of the UK malt and grain whisky prodoction capacity. That figure in 1981 would have been 44 per cent. But DCL has closed 11 distilleries since 1982 and mothballed ten; it now runs 24 malt distilleries and four grain distilleries.

Mr Saunders also said the

Last week Guinness said that a review of the Gleneagles group
has been completed and 9
strategy for the hotels
developed.

developed.
Gleneagles Hotel in Perthshire is to be maintained and expanded to attract more winter visitors, drawing on the experience of the Guinness Champney's health resort at Stohho.
Doubts arose about Gleneagles when Guinness announced the review, and the hotel group's management began seeking financial support for a possible buy out.

F.T. Share Information The following securities have been added in the Share Information Services: Avana Group (Section: Fold,

Cowells (Paper, Printing and Advertising)
Crusts (Hotels and Caterers)
Hampden Homecare (Drapery

Hampden Homecare (Drapery and Stores)
Merivale Moore (Property)
Monks & Crane (Industrials)
SPP (Engineering)
Sterling Publishing Group
(Paper, Printing and Advertis-TMD Advertising Holdings (Paper, Printing and AdvertisASDA PROPERTY'S CANCELLED DEBENTURE ISSUE

Hedging against the future

of the first debenture of the year: a 19m issue from Asda Property. Unfortunately for Asda, it was a sorry day on the gilt market, and hy mid afternoon, when the price was due to be fixed. 9 second notice was delivered to the stock exchange—the issue had been cancelled. Asda has not been the first company to pull an issue because interest rates have moved against it. It could, however, be the last, as it is now possible to use financial futures to hedge against a damaging rise in interest rates.

The need for a hedge arises because of the gap between the protection the cost wasn't worth

The need for a hedge arises because of the gap between the time when a company decides to raise money and joins the Government Broker's queue, and the impact day of the issue. This takes et least a mouth, during takes et least a mouth, during takes et least a mouth, during la debenture issue. Haslemere which the gilt market could change dramatically.

In mid-December, when Asda joined the queue, long yields were 10; per cent; hut hy 3 pm ou Monday they had reached 11 per cent, adding nearly £50,000.

The costs of about £275,000.

The costs of up the decided that in terms of pure protection the cost wasn't worth it.

In fact the costs of such a hedge are very low, especially compared to huge fees involved to hedge are very low, especially compared to huge fees throwly a hedge are very low, especially compared to huge fees the move of the amount raised), an insignificant proportion of total costs of about £275,000.

The costs of about £275,000.

The costs of up to the amount raised), an insignificant proportion of total costs of about £275,000.

The costs of about £275,000. The need for a hedge arises

EARLY LAST Monday morning proceeds and the interest rate as directors in the future will the Stock Exchange was notified soon as it knows the impact day accept the risks of an unhedged of the first debenture of the by entering into a futures issue," says Mr Trevor Swete, year: a £9m issue from Asda transaction through the long gilt head of the corporate finance Property. Unfortunately for contract on Lifts.

The Liffe gilt contract works like all other hedges: the profit or loss made on the futures contract offsets the profit or loss made in the gilt market from the movement in interest rates. To hedge a debenture issue the contracts are sold when the company joins the queue, and bought back on impact day when the issue is actually priced.

Unlike futures markets in the US where hedging hand issues is commonplace. Laffe is still not liquid enough to make such a transaction easy.

DCL and Bells combined would control 37.4 per cent of the UK malt and grain whisky prodoction capacity. That figure in 1981 would have been 44 per ent. But DCL has closed 11 distilleries since 1982 and moth balled ten; it now runs 24 malt distilleries and four grain distilleries and four grain distilleries.

Mr Saunders also said the Scottish hotels in the Gleneagies group would be retained by Gulaness. However, the future of the new Piccadilly Hotel in London remained under review, and he indicated that it might be sold off in favour uf another London hotel to feed tourists to the three hotels in Scotland.

Last week Guinness said that and grain whisky prodoction capacity. That figure in takes et least a month, during impact day of the issue. This compared to huge fees involved in lad etched in size. This compared to huge fees involved in lad etched in luge fees involved on the dependent of the amount raised, an interest see. Haslemere cent of the amount raised, an interest see. In significant proportion of total provides and feel to hedge around an debenture issue. Haslemere cent of the amount raised, an interest see feel with seed and hout £20,000 (about 0.1 per cent in the market see onto the amount raised, an interest see. In feel amount raised, an interest to hedge are very low, especially at market of the deature issue. Haslemere cent of the amount raised, an interest see in feel to hedge around an debenture issue. Haslemere cent of the amount raised, an interest see. Haslemere in the market see of the amount raised, an interest see in the market see of the amount raised, an

Real Time sees full year improvement

Continuing efforts to improve showed 9 reduction from margins enabled USM concern Real Time Countrol to maintain first-ball trading profits at £70,000, against £68,000. This was in spite of a reduction in turnover from £1.89m to £1.59m, following the elimination of some unprofitable activities.

But with net investment income lower at £35,000 (£50,000), profits of the full year and will give a satisfactory improvement in come lower at £35,000 (£50,000), profit for the full year and will precise of this computer continue to enhance the strength of the halance sheet.

Despite e difficult start to the year at Rotec, the company is currently enjoying record demand for its product and is expected to continue its growing contribution to the group. Tax for the half year took stated earnings per 5p share of 0.95p (1.06p). In line with previous years, there is no interim dividend—last year's single payment was 2p nst on £312,000 profits.

SHARE STAKES

Changes in company share cent of total voting rights), the stakes announced over the past interest now amounts to total week include:

Bease Massimi Pollitt — D. Cowan, director, has said 30.0 where the past interest now amounts to total with the past interest now amounts and cloud Bill Lime with the past interest now amounts to total with the past interest now amounts and cloud Bill Lime with the past interest now amounts with the past interest now amounts and cloud Bill Lime with the past interest now amounts and the past interest now amounts are past interest now amounts and the past interest now amounts are past interest now amounts and the past interest now amounts are past interest. week include:

Breedon and Cloud Hill Lime
Wurks — IEP Securities, a subsidiary of Industrial Equity, is
entitled to 335,000 ordinary

stokes and 3.233m ordinary stock
units, representing 29.99 per
cent of voting rights,
Ferranti—B. B. V. Z. de Fer-

entitled to 335,000 ordinary shares.

Berkeley and Hay Hill — Mr C. J. Smith, a director, has disposed of 1.5m ordinary shares ordinary shares at 142n, posed of 1.5m ordinary shares ordinary shares at 142n, 145p, and 100,000 ordinary shares end now holds 41,626, 150,000 at 145p, and 100,000 ordinary at 147p. His total holding now stands at 5,226,860 shares and now holds (1,24 per cent).

Hodson's Ray 13 ctc
keinsi 19er of 14:racin 2016 7.250
Indram (Hardid) 1.259
Indram (Hardid) 1.259
Indram (Hardid) 1.259
Indram (Hardid) 1.259
Jaksons Bosene Eng Zo
Jaksons Stocke 1997 4-lace
Kalamason Sipelin 1997 4-lace
Levis (John) Pross 10ecub 1991.96
Spc. Slacob 1992.97 4-lace
Levis (John) Pross 10ecub 1991.96
Spc. Slacob 1992.97 4-lace
Levis Sachel 1992.97 4-lace
Levis Sachel 1992.97 4-lace
Levis Bosene 1992.97 4-75p.
Livriad Bosene 190.98 40c
Lori Agriculture 1907.98 40c
Lori Agriculture 1907.98 40c
Lori Agriculture 10c
Mario G Henh Rousene Fond 4.99
Miscallas-Gerlivet 70cP 3.59
Mis

6.1250 2 Grp 94prin 2005 4%ac Ventures 10-85pcGb 1891-96

75emuell 7 kpc0b 1995-96 3 hec Owen Stacch 2.275a, Okacob 87 3 kpc, 7ac0b 1988-95 3 lpc, n 1938-83 25pc

5 cts rel 30 Know Socob 1589-94 412PC Hattersley 5.75s 13\cpcto 1990 6\u00e4sc

50 Jyde 2p 10 Spc Db 1983-58 2.9678 cts Proof 2.25p

PYNEWS 7P Vens (J. 8.) 30 cm Bacthe Basin inv Tst 64mcDb 1997-

02 3igst nac 8kpcLn 1890-95 43gst pate 647 7scPt Z.45p pathorism Sec Growth 74gstD0 1988

Tuescop 1812-66 3 toc. Buscob 1962-

probe 1812-66 Janc. Superbe 1962June
Ton's Superp 2.5cts
and 1.2cts
11 74ccts 1969-94 Janc
4 174ccts 1969-94 Janc
4 174ccts 1960-94 Janc
4 174ccts 1960-1960-1960
105 Tuner 74ccts 2.6256
106 Tuner 74ccts 2.6256
107 197-82 Janc
197-82 Janc
197-82 Janc
197-82 Janc
1997-82 Janc
1997-82 Janc
1997-82 Janc
1997-82 Janc
197-82 Janc
1996-82 Janc
1997-82 Janc
1996-82 Janc
1996-82 Janc
1997-82 Janc
1996-82 Janc
19

10.3ecP1 3.25p

0.79 Hd 2.28

Bease Massimi Pollitt — D. S. Cowan, director, has soid 30,000 shares at 237p and J. C. Powell, director, has soid 20,000 shares et 237p.

Monks & Crane (Industrials)
SPP (Engineerng)
Sterling Publishing Group
(Paper, Printing and Advertishing)
TMD Advertising Holdings
(Paper, Printing and Advertishing)
United Friendly Advertishing With 1187.843 preferred 16.000 ordinary shares at 142p. Shares end now holds 41.626.

200.000 ordinary shares at 142p. Shares end now holds 41.626.

200.000 ordinary shares at 142p. Shares end now holds 41.626.

200.000 ordinary shares at 142p. Shares end now holds 41.626.

200.000 ordinary shares at 142p. Shares end now holds 41.626.

200.000 ordinary shares at 142p. Shares end now holds 41.626.

200.000 ordinary shares at 142p. Shares end now holds 41.626.

200.000 ordinary shares at 142p. Shares end now holds 41.626.

200.000 ordinary shares at 142p. Shares end now holds 41.626.

200.000 ordinary shares at 142p. Shares end now holds 41.626.

200.000 ordinary shares at 142p. Shares end now holds 41.626.

200.000 ordinary shares at 142p. Shares end now holds 41.626.

200.000 ordinary shares at 142p. Shares end now holds 41.626.

200.000 ordinary shares at 142p. Shares end now holds 41.626.

200.000 ordinary shares end now holds 41.626.

200.000 ordinary shares end now holds 41.626.

200.000 ordinary shares at 142p. Shares end now holds 41.626.

200.000 ordinary shares at 142p. Hold now holds 41.626.

200.000 ordinary shares at 142p. Hold now holds 41.626.

200.000 ordinary shares at 142p. Hold now holds 41.626.

200.000 ordinary shares at 142p. Hold now holds 41.626.

200.000 ordinary shares at 142p. Hold now holds 41.626.

200.000 ordinary shares at 142p. H

Worseter-Hughes do. 7000 1986-9
3'spc. 10x00 1990-95 Spc
SATURDAY, FEBRUARY 1
0'VIDEND & INTEREST PAYMENTS-

OIVIDEND & INTEREST PAYMENTS—
Illed Lundon Props 1 Opchy 39
mericas Tit Secrif 1.75s
mericas Tit Secrif 1.75s
mericas Tit Secrif 1.75s
autacotum 7/gachf 2.625s
autacotum 7/gachf 2.625s
BA Secrif 1.75p
Investigation 1.75p
BA Secrif 1.75p

Porce Halbour Store Technology 2, 2759
27379 To Technology 2, 2759
27379 Coh Technology 2, 2759
27379 Technology 2, 2759
27379 Technology 2, 2759
2759
Fleming Mercantile (or 7st SpcM 1.7sp. 4acH 1.9 Foreign Col Inv Tst SacDb 1595-90 2tgsc 6tacDb 1697-92 3tgsc Grant Close Water Authy Shapt 1986-88 2 873pc

Grist Oose Water Authry Shipt 1986-88 2 8736;
Narker Siddelev Singer 1.8258
Narker Siddelev Singer 1.8258
Narker Siddelev Singer 1.8258
Nerdordshire CC Singe 1988-87 3.5756
Imeerigi Chemical Inds Sport 1.75e
Singeln 1284-2004 24age
Inside 25cts
Jemmer Boucht 58
Laird Blacch 1981-96 34pc
Laird Blacch 1981-96 34pc
Laird Blacch 1981-96 34pc
Laird Blacch 1981-96 34pc
Laird Blacch 1881-96 34pc
Laird Blacch 1881-96 34pc
Manchester 1091 35pc 75pc 7pcPt 2.43p
Lincols Netional Core 50pc 7pcPt 2.43p
Minochester 1091 35pc 1941 1.5pc
Merchanta Tix 41scPt 19759
Net 50pc 1246
Dischart Tix 1986
D

DIVIDEND & INTEREST PAYMENTS-Dead See Works 190oc

PENDING DIVIDENDS

Renunciation date senselly test day for dealing tree of stamp doty. 5 Figures based on prospectus estimates. 2 Assumed dividend and yield. F Forecast thirdend cover on sentings undered by larest injerim assument. H Owndard and Yield based on prospectus or other official estimates for 1986. I indicated dividends: sower relates to previous dividend; pre-ratio based on lates annual semings. U Festcast otherwise ladicated, I issued by teader. I Official industrial of ordinary shares as a "rights." * Issued by way of capitalisation. I Placing price. St Renuroduced. It issued in connection with reorganization marger or takeover. If Allotment prices. 25 Ceets in under Rule C15 (31. W Dealt in under Rule S35 (4) (a). * Units comprising 12 partiance shares and one warrant.

Dates when some of the more important company dividend Dates when some of the more important company divided statements may be expected in the next few weeks are given in the following table. The dates shown are those of last years announcements except where the forthcoming board needings (individed thus") have been afficially notified. Dividends to be declared will not necessarily be at the amounts in the column headed "Announcement last year."

| THOUSE CHILD IN | . 3 | | |
|--------------------|----------------------------|-------------------------------|--------------------------------|
| Oato | Wout jest | Osta | Announce- munt last year |
| 5. and W.)lao 17 | Final 7.0 | *Racel Electronics, Jan 33 | Interim 0 7865 |
| QuelcastFeb 14 | Final 2.59 | *Rank | |
| | | O iganisationJan 79 | Final 72 |
| getyFeb 11 | Interim 50 Interim 11.0 | "Routers Feb 12 Saga | Final 1.5 |
| 19150 | | HolidayaFeb 28 | F-03/ 27 |
| Robert M.)Feb 22 | lin minstel | STCFeh 23 | |
| d Fide SA., Feb # | Final 2.7 Intsrim 40c | SecuritorFob 13 | Final 1 |
| rda BankFeb 27 | Final 17.0 | Vanjona Vanjona | Final 26.0 |
| rho | Final 5.5 | Viyolla Fab 26 | Final 60 |
| Alpine (A.) Feb 25 | Final 7.5 Final 2.35 | Vickersfch 25 | |
| HouseJan 28 | Interim 4.0 | FinancoFob 14 | Final 25 |
| ra ManufuFab 11 | final 5.1 | " Board meeting Insim | stad. + Bahre |

Property...Feb 16 leterim 3.0

| BOARD N | REETINGS | |
|---|--|-----|
| TODAY Interimet: Aliae investment Trust, u.pu, G.T. Japan Investment Trust, pug Investers, Heltite, Markheath curlies, Murray Smeller Markhet, set J. Saullie Gordon, Vibroplant. | Fingse LDN United Packaging Webb (Josegh) Finals— | 194 |
| Finals: Berkeley Technology, Blue row, Habit Precision Engineering, flock Tiset. Securigard, Tstevialon uth. | Flaming Floodgoling Inv. Times Hangkang and Shanglist Sank ing | Mer |
| FUTURE DATES | Palmz | Mai |

| BANK RETURN | | |
|------------------------------|---|---|
| BANKING DEPARTMENT | Wednesday Jenuary, 28 1986 | : Increase (-) or decrease (-) for week |
| LIABILITIES Capital | £ 14,655,000 4,317,961,315 839,424,383 1,785,814,131 | + 1,381,124,446 - 28,175,201 - 111,934,938 |
| | 0,890,758,838 | + 1,464,884,181 |
| ASSETS Government Securities | 778,607,771 676,183,314 6,527,768,256 7,802,561 390,136 | + 96,910,000 - 87,922,177 - 1,592,360,596 - 2,455,466 - 8,772 |
| | 6,890,752,838 | + 1,464,884,181 |

ISSUE DEPARTMENT

| IABILITIES lotes in circulation lotes in Benking Department | 11,929,187,038 7,802,361 | - 117,544,634 - 2,455,466 |
|---|--|--------------------------------|
| SSETS . | 11,930,000,000 | - 190,000,000 |
| overnment Debt. ther Government Securities ther Securities | 11,015,100 8,867,181,718 9,651,793,184 | + 493,151,308 - 613,131,306 |
| | 11,950,000,000 | - 190,000,000 |

CITICORPO U.S. \$350,000,000

U.S. \$350,000,000
Subordinated Floating Rate Notes
Due November 27, 2035
Notice is hereby given that the rate of Interest has been fixed at
8.2875% and that the interest payable on the relevant Interest Payment
Date Fellmany 27, 1986 against Coupon No. 3 in respect of
US\$10,000 nominated the Notes will be US\$71.36. January 27, 1986, London By: Citibank, N.A. (CSSI Dept.), Agent Bank

> CITICORPO U.S. \$500,000,000 Subordinated Floating Rate Notes Due October 25, 2005

CITIBANCO

Notice is hereby given that the rate of Interest has been fixed of 8.2875% and that the interest payable on the relevant Interest Paymont Date February 27, 1986 against Coupon No. 4 in respect af US\$10,000 nominal of the Notes will be US\$71.36. lonuary 27, 1986, Landon By: Citibank, N.A. (CSSI Dept.), Agent Bank CITIBANCO

FINANCIAL DIARY FOR THE WEEK

The following is a record of the principal husiness and financial engagements during the week. The board meetings ar mainly for human rea 200 mot always available whether dividends concerned are intering or finals. The sub-divisions shown below are based mainly on last the sub-division

COMPANY MEETINGS— Mirco Score, Conaught Rooms, Gr Queen Street, WC, 9.30 BOARO MAETINGS-Finals: Berkeley Technology Blue Arrow Hsbit Precision Esgineering Securique Eouth Television Eouth Istoring: Ailsa Invst Tes Equips

VIDRODIANT DIVIDEND & INTEREST PAYMENTS— Allied Irish Ok Sub Prim Cap Perp FRN \$228-27

3-42.48
Kitchen i Roberti Tsvior 3a
Local Authority 112pc8dx
5.5125pc
Rationans Intl 0 2.2p
Stock Conversion 3.5p
Torento-Dominion 21 cts
Whetsoe 2a COMPANY MESTINGS— VILLIAID, Charles Cross Notes, Strand.

WC. 12.00 Charles Cross Notel. Strand. WC. 12.00 Charles Hotel. Liverpool St. EC. 11.00 SE 11.00 ash Msn, SW, 3.00 Metray Growth Tst, 105-0 Ilid Broad St. 1t, 12.90 RNF Gro. Nyde Park Hotel, Knights-bridge, W. 11.00 COARD MAETINGS Finals: Camford Engineering HeasiFree Orewery Kettock Tst Leda Invest Tst Letarims:

Cowan, de Groot Ersy Biectronics

Meat Trads Supplie

54 cts
Canadian Backle (interch Transf) 12 cts.
4pcPl (15C) 2 cts. ApcPr (£50g) 2 cts.
4pcPl (interch Transf) 2 cts.
4pcPl (inte WEDNESDAY, JANUARY 20

COMPANY MARTINGS—
Company Martings—
Chemring, Alchem Works, Fratton Trading
Estate, Potsmouth 2.30

Altinine Boats, Peterbordungh Most House,
Peterbordungh, 3.00

Greson (M. J.), Haredon House, London
Road, North Cheam, Surrey, 12.0

Williamson Tea. 5 Higs Timer Street,
46. 12.00 OGARD MEETINGS-

DIVIDEND & INTEREST PAYMENTS— P. Television S.95pcPf 2.9750 k of Nova Scotta 17 cs substrat and General Secs Fits Rate Nta 1892 5455 (1) 2.570 bean for 1,1 2.570 ct 1992 March 10 Ct 11 Rate Nts 1691 Gleeson (M. J.) 2.570 Isalinn in Ok Fits Rate Nts 1691 S444.03 Authority 11% 6068ds 2917/08 LOCAL Authority 11% 6068ds 2917/08 MCC proposale 3.40 McCorapodale 3.49 Micro Scope 10 widland Inti Fia Sery Fity Rate Nts 1993 544.4

Daiwa Europe Limited

is pleased to announce that

its FRN Desk will start making markets

Floating Rate Notes

with effect from

Monday, 3rd February, 1986

FRN Desk Contact: Susumu Kawamura, Teruki Morohashi

Howard Sury Direct Telephone: 01-248 0870 Reuter Code: YFRN & YFRO

Daiwa Europe Limited, 14 St. Paul's Churchyard, London EC4M 8BD.

FINANCIAL TIMES STOCK INDICES

der antile House
facial (Joseph)
Webt (Joseph)
Webt (Joseph)
Alli (DENIL & INTEREST PAYMENTS—
Alli 12.00
Cratto Lodge and Kright, Hillsate House, 26 Old Saley, EC 11.30
Reliable Properties, Connaught Rooms, Ge Queen Street, WC, 10.30
Scottlah Invat 124. 6 Albyn Place, Edinburgh, 11.90
Variable Transport Hotal, Souderland, 12.00 12.00
OOARD MEETINGS—
Flushi
Argyle Tst
Associated Flahertes
Oomling Printing Sciences
Kershaw IA.)
Loutho

DIVIDENG & INTEREST PAYMENTS-DIVIDENTI 4: INTEREST FAYMENTS—
Australia sid New Zealand Okg 10 cts
Begtrix Mines 13 cts
Buferix Mines 13 cts
Buferix mines 13-p
Dow Chemical 45 cts
Eaphorn 54 invest 13-p
Dow Chemical 45 cts
Eaphy 2nd Las 1p
Fairring Socts 17-p
Grootviel Brop Mines 93 cts
Fairring Soc

Farge Fits Rate Sub Nts 1992

Weber Zp Weils Pargo Fitg Rate Sub 873-52 West And Coms Milnes 90 cts COMPANY MAETINGS— COMPANY MAETINGS— Cooper 'Frederick). Goldthorn Motel. Fenn Road Wolverheimston, 12,90

House of Figure 4-both 1.5750, 5'mort Western Ground Reets Supclation 1954
1.925d. 7'jacht 2.625p. Secim (993-80)
3pt. Slockin 1932-98 44pt
Hodson's Ray 15 cts
Whittington Sneengering 1.4pt Freels: Angle United Development Interims: DIVIDEND & INTEREST PAYMENTS-Streamlines 10pcPf Sp L Sons 64pcPf S.Jp. 7pcin 1994-

IDC) Proserty 5/1000b 1992-97 44nc pal 37,5321490. A 31,5331490. 17,0304569 178,03028 Fisherier Olypcin 1991-96 44pc wheres Dispers 1981-30 and 1981 and 1981 and 1981 and 1981 and 1986 SA4.72 Nova Scotia Figs Rate Dos 2000 Overseas lavat Gte Fits Rate

Ciamesi Sucht 2.15 Figsch 2000 4.250c, New Syscia 1.51370pc 151370pc
1 Orange 0.37p
1 Orange 0.37p
1 SippPf 1.905p
1 C. ILJ 13ecin 1.932-03 Sippe
Eventoy Pool 5g
12 Arrow Spcin 1995-2000 Algo
Car Auction Gra 2a
Drading Spcin 1993-98 Apc
Petroleum SpcPf 2.9p. 9pcPf Estate 6pcDs 1992-86 Jpc is Mortgapes 0.756269 eti Soup 33 ets and Counties 6 epcLs 1994-04 y Otts 1.5p Manhatan Overseas & Fite Rate 1992 544,08 cal New York Fits Rate Nts 1859

range and the second se

on Jasen 44cc 1 4.6

ter 1.78

on Transver Coopy 1992-84 45

ft. Report Opey 1992-84 45

ft. Septem 1982-89 46c 0 1982-85

ft. Septem 1982-89 2 type Objecto 1982-89

ft. Septem 1982-89 2 type Objecto 1982-89

twester 2.48cc their 31sec Pf. 1.225

twester 2.48cc their 31sec Pf. 1.225

twester 2.48cc their 31sec Pf. 1.25

ft. Fill 2.1s. 4.025sc (fmir 34sc) Pf. 6.40

4.0125s 36

in 1081 1092F 59

ing Japanise Invist 1st SpcPf 1.75

cob 1955-90 24sc

ind 36c4, 1998-93 4cc

2 Minese Object 4.128s. 100cls

0.95 Sec

Property 47acDb 1990-85 37ase Invata 7st 61gcDb 1961-86 rese (foestfoetein Gold Mining 11.824931p) (foestfoetein Gold Mining 11.824931p) (foestfoet Esta 10/pp:Db 1.1061 cts ellock Esroes 11.25p) (foestfoet Esroes 1.25pc) (foestfoete) (foestfoe

ALLIED IPISH BANKS PLC (Incorporated with limited liability in the Republic of trained under the Companies Acts, 1963 to 1963) Subordinated Primary Capital Perpetual Floating Rate Notes in accordance with the provisions of the Notes, notice is hereby given, that for the three morths intensit period from January 27, 1865 to April 28, 1965 the Notes will carry an interest rate of 81% % per annum. The merest psystem on the relevant interest pay-ment date. April 28, 1986 against Coupon No. 3 will be U.S.\$219.50 and LS.55.490.02 respectively for Notes in denominations of U.S.\$10,000 and U.S.\$250.000. The sum of U.S.\$210,000 principle amount of U.S.\$210,000 principle amount of Registered Notes.

LADBROKE INDEX 1,121-1,125 (+5) Based on FT Index

Granville & Co. Limited 8 Lovat Lane London ECJR 88P Telephone 01-621 1212

Over-the-Counter Market

Cepitalisetn. 2000'4 4,027 875 52,991 3,082 476 1,213 8,959 4,451 3,034 1,679 2,437 8,197 41,900 3,317 7,295 3,240 25,678 714 1,200 1,560 1,473 6,280 16,921 4,668

86.88 87.10 86.09 82.17 180.4 50.55 1140.0 911.0 1149.6 49.4 536.0 ; 687.9 ; 734.7 ; 43.9

Low 80,45 80.39 81.28 84.67! 76.09: 197.4 48.19 86,66 , 86.65 387,5 : 324.3 : 355,5 341,8 : 539.6 345,0 FT-Act All, Share.... 676,38 . 668,78 ' 673.55 | 867,34 | 669,63 · 678,38 : 702,06 | 581,88 | 702,06 : 61,92

VIDENOS

ARGYLL GROUP PLC

Argyil Group PLC 8 Chesterfield Hill London W1X 7RG Telephone 01-493 0808 Telex 24546

26th January 1986

Dear Shareholder

The Argyll Bid for Distillers

As you know, we made a formal offer for The Distillers Company plc on 17th December 1985.

On 9th January 1986 the Secretary of State for Trade and Industry announced that, following consideration by the Office of Fair Trading of the issues involved, Argyll's offer would not be referred to the Monopolies and Mergers Commission.

On 20th January 1986 Distillers' directors capitulated to arguments that they needed new management by recommending acceptance of a bid from Guinness. It is reported that they have even agreed to meet the considerable expense of this proposed rescue.

On the same day, 20th January 1986, the Office of Fair Trading confirmed to Argyll, "There is no, repeat, no question of any bidder having been told at this time that any bid other than that by Argyll for Distillers would not be referred to the Monopolies and Mergers Commission for fuller investigation".

In other words, Guinness' bid has to be fully examined and may be referred to the Monopolies and Mergers Commission.

Meanwhile, Argyll's offer remains open for acceptance. It is the only bid which has been cleared by the Secretary of State.

Yours sincerely

James quelon

James Gulliver Chairman

CONSTRUCTION CONTRACTS

Golf course for Sarawak

BALFOUR BEATTY CON-STRUCTION INTERNATIONAL has been awarded a USS24m (£17m) contract to design and coostruct an 18 hole international golf course, some 280 resort houses, golf clubbouse. facilities and infrastructure for the Damai beach resort in Sarawak, east Malaysia. The contract has been placed by PPES Resorts Sdn Bhd a wholly owned subsidiary of the Sarawak Economic Development Corporation. Balfour Beatty will be working with local architects, Malaysian Associete Architects (MAA), an architectural practice in Malaysia, and the Robert Trent Jones II Group of

WILCON CONSTRUCTION, the building division of Wilson (Con-nolly) Holdings, has signed four contracts worth over £2.6m. Three of the contracts are residential and at just over £1m the largest is to build a 22-house mews court development at Munster Road, Fulham, for Usborne Developments. Wilcom has also negotiated the second phase of Epsom Estates 75 onebed flat development at Thurlow Park Road in Dulwich. In Rugby, for the Borough Council, the Coventry office is building 31 eiderly persons flats in a contract worth £685,000. The fourth contract, in Milton Keynes, is to build a 9,000 sq ft three-storey office block for Chapman p and Partners. Work has started on all four contracts and all are scheduled for completion

Airport project for Wimpey

bedos, for the rehobilitation of the runway of Grantley Adams International Airport, Barbados. The work consists of excavation and reconstruction of the touchand reconstruction of the touchdown area, and relevelling and
resurfacing the whole of the
runway using 47,000 tonnes of
"Marshall Asphalt." Associated
works will include construction
of hard shoulders through the
length of the runway, grooving
and runway markings together
with reconstruction and installation of new airfield tighting

Channel Islands worth more than £8m have been won by E. THOMAS AND COMPANY. part of the Mowlem group. The largest contract is at Whiddon Down, Devon, where a £2.25m sub-contract has been received for hridges and culverts for e new dualled section of the A30 being constructed by Wimpey Construction UK. The section will run from the existing dual carriageway west of Exeter to join the start of the proposed Okehampinn hypass. The work comprises the building of a river bridge, six road overbridges, two box culverts and four Armoo culverts. The work is due fur completion in December.

Following the award of the

Following the award of the demolition contract at Garras Wharf, Truro, E. Thomas has now

Channel Islands worth more than

WIMPEY ASPHALT, a subsidiary of George Wimpey, has
been awarded a 16m contract by
will be carried out during the
will be carried out during the
the house of concrete waffle construction, supthe house of concrete waffle construction. 11 pm and 7 am, to prevent disruption to aircraft movements.

The southern region of WISIPEY CONSTRUCTION UK bas been awarded a £4.29m contract by Enterland Estates to build a shopping complex, combuild a shopping complex, com-prising superstore, to be occu-pied by Gateway Foodmarkets, and 10 shop units situated on each side of o pedestrian pre-cinct, with a two-level car park, service yards and a clock tower. The development is to take place on the old college car park site

storey warehouse and showroom for United Builders Merchants,

A 2775,500 contract has been placed for the construction of the shell, drainage and external works for a supermarket for Fine Fare at Bude. The client is Headway Construction Company.

E. Thomas continues its associa-tion with South West Regional Hospital Association with a

+ · ORDER PROCESSING ·

ou, me and

development area.

been awarded a £940,000 contract £472,000 contract to construct a

porting a steel-framed super-structure and precast concrete upper floors. The lower car park and service yards are in be built on reinforced concrete slebs with walls and columns bearing on walls and columns bearing on pile caps and driven piles. Roofing to all the perimeters is to be flat asphalt covered decks with mansard decks and aluminium cladding. Walls are faced in quality stock facing brick. The work due for completion in December, also includes extensive landscaping, drainage and roadworks.

£8m mixed batch for E Thomas two-storey extension to the exist-

together with site works, drainage and incoming services. The scheme will be completed on behalf of Norcros Investments Plymouth. At Gulval Penzance, work has At Gulval, Penzance, work has started on phase two of a \$492,600 contract which comprises the construction of 18 pairs of holiday bungalows for Kenegie Manor, together with external works and drainage connections. The Devon office has won a £310,000 contract to construct a steel-framed, metal-clad and starts, shortly for comple-tion in July. The civil engineering department has been swarded a 5504,000 contract from the same client to construct au enlarged roundabont and a new link road to serve the Garras Wharf redevelonment area. struct a steel-framed, metal-clad factory incorporating single storey offices for Kea-Flex (Monidings) at Bordon in A £775,500 contract has been

> At Barnstaple a £230,000 contract has been awarded by South West Weter for tidal defence works. The project involves the construction of sheet piled walls to the river bank, complete with reinforced concrete capping

Major refurb in Glasgow

W. C. HILTON & SONS has be awarded four contracts totalling

The Glasgow based GA GROUP has won a package of contract awards worth film. As part of the total, GA Management has been awarded e f4.4m management contract for the refurbishment of Glasgow's Sauchiehall Street shopping centre. Among the contracts awarded to GA Construction are: a £2m advanced factory development at Deans, South-West, for the Livingston Development Corporation, afterations and additions to a factory unit of Glentions to a factory unit of Glen-rothes for the SSEB worth fl.6m. a_fl.99m_refurbishment_of

a f1.99m refurbishment of offices at Broomhouse Drive, Edinburgh, for the PSA. Awards to GA General Works include refurbishments to the Prince and Princess of Wales Hospice in Glasgow, the provision of new banking facilities for the Bank of Scotland at Weterloo Street, Glasgow, alterations and improvements to the public baths at Clydebank, and npgrading of ward 1 at Duntocher Hospital.

in the region of \$5m. They include: 72 dwellings (e reinclude: 72 dwellings (e re-development site) at Beaver Lane, Ashford Kent, on behalf of the Ashford Borough Council, worth £2.25m; 40 high quality houses to be built at Nine Mile Road, Wokingham, Berkshire, on behalf of CALA Homes (Southern) at a cost of £1.8m; a fourterpre office block of e four-storey office block of around 15,000 sq ft at Queens Road, East Grinstead, Sussex, on behalf of Spicemoor, part of the Grosvenor Square Properties Group, value £797,463, and con-struction of St Peter's Primary

Shand Committed to Construction

Shand Ltd. Shand House, Matlock Derbyshire DE4 3AF Tel: (0629) 734441

£2m stores for Fleet

HUNTING GATE DESIGN & BUILD has secured a further £10m of new husiness. The projects include two central stores buildings for the North West Thames Regional Health Authority with a joint value of around £25m, an office development at Fleet for Whitecroft, e 24-bedroom hotel extension for Kingsmead Hotels at Wallingford and e fitting out contract for GEC General Signals at Borehamwood. Other work includes a manufacturing facility at Kentish Town, a development of luxury houses at Dollis Hill for OBA, and a supermarket and multi-storey car park of Lytham St Annes for Safeway Food Stores. £10m of new husiness. The pro-

TAYLOR WOODROW CON-STRUCTION (SCOTLAND) of Glasgow, has received o contract, worth £458,000, from Honeywell Control Systems for refurbish-Control Systems for returnishment of part of its offices at Newhouse Industrial Estate, Motherwell. The contract calls for the design and management of the refurbishment and upgrad-School, Ardingly, West Suser, ing of external elevations.

UK NEWS

Clayton Dewandre to seek radical labour pact at British plant

BY DAVID THOMAS, LABOUR STAFF

at its Lincoln plant similar to the all employees. give-back or buy-back deals which have taken place in the US.

Under these agreements pay is cut substantially and radical change made in conditions of employment in order to save jobs. These deals have been rare in Brit-

ain, however. Clayton Dewandre, which makes brake systems for commercial vehicles and which is owned by American Standard, the diversified US group, says that it will close its Ti-tanic plant at Lincoln in the east of

some of its Lincoln workers, be-lieved to be about 250, redundant in any case, but the remaining jobs, acceptance of the new terms.

The terms include: A new payment system which. the unions estimate, will lead to pay cuts of 10 to 20 per cent.

 Agreement that management will choose which individual workers to make redundant, overriding the traditional system of last in,

nal about the redundancy arrange-

A US-owned company has put pay No industrial action by any emand conditions proposals to workers ployee until after e secret ballot of

 A single union deal with the en-gineering union, AUEW. At present even unions are recognised in the plant

The company has drawn up, with the help of lawyers, e 77-page em-ployees' hondbook, which sets out its new employment package. This requires complete flexibility, not just in the tasks performed by workers, but also in their place of work.

It says that employees must work England unless its workers individually sign o new pay and conditions ments, or ot any other place even if this results in the loss of status or ackage.

The company wants to make pay or both. The company also has
the company wants to make plants in Rugby, Portsmouth and

The handbook says that the combelieved to number 400, depend on pany may ot its discretion after the wages system, including payments for shift and overtime working. It also details grounds on which employees can be summarily dis-missed, including refusing to be searched by o company representa-tive and refusing to respond to a company request for a death certificate when asking for leave because of death in the immediate family,

The Lincoln workforce has voted Signing away of workers' rights
 The Lincoln workforce has voted to complain to an industrial tributoresist the measures. The company and unions are due to discuss them today.

Dried fruit importers to test EEC price rule

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

dried grapes from outside the Com- minimum import price (MIF). munity is to be challenged in the European Court of Justice.

The National Dried Fruit Trade rate one - about 20-25 per cent of Association, which represents most the MIP - and was the same tributors, complains that its mempers are suffering substantial and unnecessary inconvenience, loss and expense in complying with what it asserts is an unlawful

The UK is the world's largest dried fruit importer and by far the largest consumer in the EEC.

The association has started a higher than the price of dried light Court action against the Customs and Excise, which enforces the regulations in the UK, seeking a

The High Court last week re-ranging to increase the price agreed ferred the matter to the European with the sellers. The effect of the Court in Luxembourg for a prelimi- system, the association says, has nary ruling on the validity of the re- been to subsidise third-country progulations

THE VALIDITY of Common Mar- The association's main attack is ket regulations imposing a mini- on a "countervailing charge" immum import price - and a penalty posed by the Customs and Excise for undercutting - in respect of when imports are priced below the Its complaint is that, until last

UK dried fruit importers and dis- whether the import price was one penny or £1 below the MIP. In September, the system was changed to introduce a sliding scale

September, the charge was a flat-

of charges, which the association still regards as "draconian." It claims that the MIP itself has been fixed at an unjustifiably high

level - often more than \$50 a ton munity producer. Importers are often faced with

ruling that the regulations are unenforceable.

importers are often faced with
the choice of paying the countervailing charge or in some way arunder the Treaty of ducers "by this unwarranted out-flow of Community funds."

EEC's regional policies 'now more decentralised'

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

These conclusions are reached by Professor Kevin Allen and Mr Douglas Yuill in the 1986 edition of luropean Regional Incentives pubtished today.

The move towards more discre-tion in the administration of regionil incentive schemes, introduced in Britain late in 1984, has also become more widely throughout Europe.

THE ADMINISTRATION of region- The shift away from automaticalal policy throughout the EEC has been increasingly decentralised in able, the authors state, in times of the last few years. The aim has been to improve the efficacy of regional policy and make it more relegional policy and make it more relegionary for any state of the control of the contro vant for encouraging indigenous investment by contrast with inward investment.

These conclusions are reached by

states of the European Economic Community together with Sweden The authors warn that, although the tide is flowing strongly in favour of discretionary assistance schemes, there are drawbacks.

European Regional Incentives: 1986 edition. Edited by Douglas Yuill and Kevin Allen. From: Centre-for the Study of Public Policy, Uni-versity of Strathchyde, Glasgow Gl. Price: £30 paperback; £40 hardback.

BASE LENDING RATES ABN Bank

Allied Dunbar & Co. Allied Irish Bank Allied Irish Bank
American Express Bk.
Amro Bank
Henry Ansbacher
Associates Cap. Corp.
Banco de Blibao
Benk Hepoalim
Bank Leumi (UK)
BCCI
Bank of Imiland Bank of Ireland 122
Bank of Cyprus 122
Bank of Cyprus 122
Bonk of India 122
Bank of Scotlend 124
Banque Beige Ltd. 123
Bancaigus Bank 122
Bancaigus Bank 122
Bancaigus Bank 122
Bancaigus Bank 123
Brit Bank nf Mid East 122
CL Bank Nederland 123
Canada Permanent 123
Cavaer Ltd. 124
Cedar Holdings 13 7
Cherterhouse Japhet. 123
Citibank NA 123
Citibank Savings 123
City Merchant Bank 123
City Merchant Bank 123
City Merchant Bank 123
Comm Bk N: East 123
Consolidated Credits 123
Consolidated Credits 123
Cooperative Bank of Ireland The Cyprus Popular Bk. 1210
Duncan Lawrie 1210
E. T. Tenet Duncan Lawrie Libys
E. T. Trust 13 6
Exeter Trust Ltd 13 6
Financial & Gen. Sec. 12:56
First Nat. Fin. Corp. 12:56
First Nat. Sec. Ltd. 12:56
Robert Fleming & Co. 12:56
Robert Fraser & Pirs, 13:56
Grindlays Bank 112:23

Edward Manson & Co. 134
Meghraj & Sons Ltd. 124
Midland Bank 124
Morgan Grenfell 124
Morgan Grenfell 125
Mount Credit Corp. Ltd. 125
National Bk. of Kuwait 125
National Girobank 126
National Westminster 126
Norwich Gen. Trust 127
People's Trust 127
People's Trust 127
People's Trust 127
Provincial Trust Ltd. 138
R. Raphael & Sons 128
Roxhurghe Guarantee 13
Royai Bank of Scotland 125
Stendard Chartered 126
TCB 126
Trustee Sayings Roak TCB 124%
Trustee Savings Bank 124%
United Bank of Kuwait 124%
United Mizrahi Bank 124%
Westpac Banking Corp. 124%
Whiteaway Laidlaw 13 %
Vorkshira Bank

Yorkshire Bank 121% Members of the Accepting Houses 7-day deposits 8.70%, 1-month 9.03%. Top Tier-C2.500+ at 3 months notice 12.06%, At cell when £10.000+ remains deposited. Call deposits £1,000 and over

Mortgage base rate £ Demand dep. 8%%. Mortgege 13%.

On a Wang network, every desktop terminal can pick up the latest.

Wang networking integrates data processing and office automation, so anyone who needs them has access, anywhere in your organisation.

And our sophisticated range of networking products can link many other systems to ours. Which has got everyone talking.

It's the most cost effective and efficient way of working, especially now that telecommunications costs are soaring.

* · PURCHASE CONTROL+

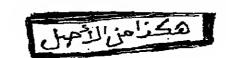
We've got a solution for your office cabling problems too.

It's called WangNet and it's probably the most sophisticated broadband local area network available today. (There's even a version you can install yourself.) So call us on 01-568 4444 or write to

the address below. We can tell you all about the advantages of working with Wang. If you haven't heard already.

Please send me full details on Wang Computer Systems. Name Company

OFFICES IN ABERDEEN, BIRMINGHAM, EDINBURGH, LEEDS, LONDON (WEST END AND CITY), MANCHESTER, REDHILL AND SLOUGH,



INTERNATIONAL APPOINTMENTS

Streicher takes over as Steyr director-general

MR RUDOLF STREICHER has been appointed director-general ef Steyr-Daimler-Puch, Austria's troubled metor, engineering and arms group, to replace Mr Michael Malzacher, who announced last month that he would not seek reappointment when his contract ends next

Mr Streicher is currently director-general of Austria Metali, the state-owned metallurgical company. It has not yet been decided when he will take up his new position with Steyr, but a company spokes-man said last night that it would be in early March or in April.

Mr Malzacher has had difficult relations with the com-

pany's works council at a time when further reductions in the workforce are to be made in accordance with rationalising plans. He has been asked to remain either to head or serve as a consultant to Steyr's military products division.

A majority shareholding in Steyr is held by Creditanstalt Bankverein, Austria'a largest bank. Steyr has made losses in recent years patrly as a re-sult of the decline of the Western European hicycle and moped industry, through dif-

In 1984, it made operating losses of Sch 295m (\$17m) following similar losses in the previous year. Its sales have been declining, from Sch 15.14bn in 1983 to Sch 14.6bn in 1984. The deficit for 1985 is expected to be considerably higher, possibly reaching Sch 600m, accord-

ing to industry analysts.

Last sutumn the Government agreed to provide Steyr with Sch 2.6hn in subsidies to help it over its difficulties. Mr Streicher, who is regarded as ficulties with some of its opera-tions abroad and through the refusal in 1980 of an export licence to sell Kuerassier light group.

Finance head for A&A

MR ROLF H. TOWE, senier vice president and chief financial officer of Alexander management concern. its management executive

New president

Mr Augustine succeeds Mr Laurence J. Adams who is retiring from these posts, though remaining a member of the board.

Monsanto doubles top roles

BY DONALD MACLEAN

MONSANTO COMPANY, the St Louis-based concern with interests in chemicals, fibres, plastics and agriculture, has doubled two top management roles with the appointment of Mr Richard J. Mahoney, its chief executive, to replace Mr Louis Fernandez as chairman. Mr Maheney, who is 52, will take over the chairmanship on the retirement of Mr Fernandez, 61, on April 1.

Monsanto announced on Friday that it suffered a 77.7 per cent drop in net income in 1985 to \$93m, associated with the financing costs of its \$2.8bn

purchase last year of G. D. and chief operating officer of Searle, the US pharmaceuticals group, though net sales were steady, at some \$6.7bn.

And chief operating officer of the parent company, as well as to the board.

Mr. Earle H. Harrison, Jr. Other factors affecting the

other factors affecting the performance, Mr Mahoney said, were adverse conditions in the US agricultural economy, in the semi-conductor industry, and the relatively high value of the dollar in the foreign exchange market

corporate executive vice-presi dent, and president of Monsante Chemical Company to president from Bala Cynwyd, PA.

market The company has also promoted Mr Francis J. Fitzgerald,

Mr. Earle H. Harrison, Jr., chairman of G. D. Scarle, has been elected vice-chairman of Monsanto, and to the board. GENERAL REFRACTORIES

Company has announced that its chairman and chief executive officer, Mr Raymond G. Perelman, has been named to the edded post of president succeeding Mr Robert W. Smith

Trafalgar House shipping and hotels chief

appointed a nen-executive direc-Cook Group.

Mr Gordon Hodson, managing partner of Beachcrofts has been appointed to the board of M. & MACK as a non-executive

BREWMAKER bas appointed Mr J. E. F. Hooper as a director from February 1. Mr Hooper jeined in 1984 as financial con-

J. H. MINET & CO. has appointed Mr. Michael Pix-as senier executive director. He will also join the executive com-

appointed Mr Peter R. Howell its managing director from February 1. He was formerly chalrman and managing director ef Trollepe & Colls Holdings and a main board director ef Trafalgar House fer the past

Sir Deres appointed to the board et UNITED NEWSPAPERS as a director. Sir

Mr Lawrence Johnstone has been appointed a partner of ROGERS CHAPMAN and will continue to deal primarily with investment, development and

Mr Simon Bewlay has been appointed to the board of NORCROS as director—inter-

Mr.: 4. G. Dobbie regional director Europe for RECRITT COLMAN, will replace Sir. Michael Colman as group director. of finance on. May 1. The Earl of Granard, a non-executive director since 1973, is not seeking re-election and will therefore retire from the board at the next annual meeting. annual meeting.

Hambros Bank, has joined D. C. GARDNER AND CO as director,

Mr John D. Fundrey has joined the ACKROYD AND ABBOTT Group as sales and marketing directer.

Mr K. W. Boddington has been appointed to the main group board of MONO PUMPS. In

this position be assumes respon-sibility for the group's MENCA (Middle East, North and Central Africa) divisen, as well as con-tinuing as managing director of Mono Pumps (UK).

Mr Melford Dean has been appointed company secretary of REED EXECUTIVE. He con-tinues as group solicitor.

Mr T. W. G. Ashdown has been appointed group deputy manag-ing director of the LEEDS GROUP.

SARASIN INVESTMENT
MANAGEMENT (SIM), the
London subsidiary of the Swiss
private bank A. Sarasin and Cie
of Basle, has appointed three
directors: Mr Andrew Ball,
formerly investment director of
Aitken Hume, Mr Erik Loudon,
who formerly ran an induana, who formerly ran an independent portfolic management service, and Mr Harvey Ziegler, fermerly of Fraser Ansbacher. Two appointments have been made by Sarasin International Securities in London, Mr Gerden Management Web London. Securities in London, Mr Gerden Bew and Mr Carl Studt, who both joined Sarasin in April 1985, bave been appointed associated directors responsible for Euro-bond sales and Eurobond trading

REED PLASTIC CONTAINERS has made Mr Mike Reviey its managing director. He also assumes responsibility for the development of Reed Plastic Containers (Corby). Mr Rowley was previously managing direc-tor of Reed Plastic Packaging.

THE BARDGROVE GROUP has appointed Mr Red Lovell as managing director. He has been a member of the board since the

At PLYSU, Mr Jon Hill has Mr Peter Roweraft has been appointed director of sales and marketing of SIMON-SOLITEC.

He was previously general sales

RENAULT UK states that Mr Colin Bruder, sales director, is leaving the company and will be succeeded on January 27 by Mr Eddie Orr, general manager, western region.

The fermer south-western division of Clarke Construction

has become a fully-fiedged sub-sidiary company, CLARKE sidiary company, CONSTRUCTION (SOUTH WESTERN), Mr M. J. Egerton has become managing director of the new company. He joined the Clarke Grone in 1983, becoming Clarke Construction's south-western regional director in 1985, Mr A. C. J. Coulter has been appointed currently director. been appointed surveying direc-tor and Mr J. W. Short estimating directer.

ANZ MERCHANT BANK has appointed Mr Mark Cliffe as chief econemist. He has been with Capel-Cure Myers for three years.

Mr S. C. Bromfield has been appointed a director of LLOYD THOMPSON.

Mr George P. Clancy, Jr, president and chief eperating officer of Riggs National Corporatioe, has tesigned from the board of A. P. BANK. Mr Timothy C. Coughtin, president and chief operating efficer of The Riggs National Bank of Washington, DC and Mr Lawrence L. Herbert a director of The Riggs National Bank of Washington DC have joined the board of A. P. Bank.

Mr Stuart McKay has joined Mr Grenville Hampshire has been oppointed to the board of TAC CONSTRUCTION Mr Michael Culverwell has been appointed to the board of TAC CONSTRUCTION Mr Michael Culverwell has been appointed group marketing directer and retains the position of managing directer of Advance Stationerv. He has also been appointed director of Swindor Texter File and Swindor Filepak both member composited deputy director (trade) Europe at the STATE OF NEW YORK DEPARTMENT OF COMMERCE, London office.

THE GRAIN AND FEET TRADE ASSOCIATION has appointed the following or officers: Mr A. E. Wright (c. director of United Molasses Cobecomes president; Mr C. Richardson (regional general manager of Dalgety Agriculture is made deputy president, and Mr M. F. George (chairman appoint managing director of Whitworths Agriculture and it parent, Whitworths Holdings has been elected UK vin president.

SCOTTISH WIDOWS' FUND AND LIFE ASSURANCE SOCIETY has appointed the society's deputy general mana-ger, Mr J. Elder, deputy mana; ing director and secretary.

Mr Simon Finnder, commercial manager of the Colston Group subsidiary TALLENT ENGINEERING, has been appointed to the board of that

Mr Francis M Infante has been appointed senior manager, treasury and money market of EURO-LATINAMERICAN BANK following the retirement of Mr Iver B. Goddard.

+02 417

■WestLB

Eurobonds · DM Bonds · Schuldscheine for dealing prices call

Vicetideutsche Landesberk, Head Office, FO. Box 1128, 4000 Düsseldorf 1 Internetional Bond Trading and Selas: Telephone 826 31 22/8 26 37 41 Telex 8581 831/8 591892

destache Landesbank, 41, Moorgate, London ECZR SAE/LK Inne 638 6141 - Tales 887 994

Marketmakers in Deutschmark Bonds West LB Westdeutsche Landesbank

Alexander Services (A&A), the international insurance brokerage and risk been elected te the board. Mr Tewe will also serve on A&A's executive committee and on

rommittee.
Mr Towe, based in New
York, joined A&A this year
as chief financial officer. In addition to this he will take reports directly from A&A's legal and strategic planning epartments.
He recently moved to

Alexander and Alexander from Union Carbide Corpora-tion, the US chemical concern tronbled by the Bhopal, India, gas leak, at which he was Treasurer.
Mr John A. Clerico has succeeded Mr Towe as Treasurer of Union Carbide.

for Marietta

MARTIN MARIETTA, the Maryland-based aerospace and construction equipment concern, has elected Mr Nerman E. Augustine, aged 50, president and chief operating officer, with effect from April L.

UK APPOINTMENTS

11911

e ruk

1741114238

policie

Halist

 $\tau_{A} \cdot (\tau_{C})^{2} S$

\$4:25

ter of TRAFALGAR HOUSE. He will jein the company as 8 full time executive director at the end of March and will be responsible fer the group's shipping and hotel operations. Mr Keonedy is chief executive and deputy chairman of the Thomas

troller.

W. S. TRY (HOLDINGS) has

Mr John B. Swain has been appointed sales directer of TINSLEY WIRE (SHEFFIELD), ene of the manufacturing units of the TWIL Group.

United Newspapers as a non-executive director. Sir Derek has been chairman of Bass since 1976, of Yerkshire Television since 1982 and Rush & Tompkins Group since 1974.

national operations.

F.T. CROSSWORD PUZZLE No. 5,932

ACROSS 1 One hat returned to City man, hardworking (g) 5 War Office floor covering includes bit of British beast 9 Comment on the girl round

the Gallery (8) 10 Diary spread shewing congestion of events? (3-3) 12 Ring to change place of production (5)
13 Formerly, to put in black and white one's finances (9)

14 Ring to change place of University (5)

Mad train after accident—wood and pulp? (8)

15 Part of EEC housing return

14 Introduction of safety lock is a restraining influence (6) 16 Vegetable that's about constant? That's one view (7) 19 Roman General was a grasper, we hear (7) 21 Sad ram slain in India? (6)

23 The actor's warm—requirement for sandwich? (6, 3)
25 Cunning leg breaks embracing middle of ruin 24 Flower with source from hills making for certain see

26 English girls excited about

young fish? (6) 27 Get in touch about right 28 His cuts werried M.S.C. A breach? (6)
29 What vessel intended —
(sound) consignment (8)

DOWN 1 Legendary fire brand? (6)
2 University star (9)
3 Full of determination, chap
takes in extremes of
theroughness (5)
4 Worrying state—R.N. talks

at length (7)
6 United in 167 (2, 3, 4)
7 Precious little thing in refuse turning up at Open

(4) 15 Signifies trains (9) 17 A time Nina could be lacking in spirit (9)
18 They're hearty (and accompanying Kings?) (8)
20 Leaders of all countries have

extra suffering (4)

25 The eutit's here. Don't stay in bed! (3-2) The solution to last Saturday's prize puzzle will be published with names of winners next Saturday.

hills making for certain sea

25/26 Alternate 61-471, 62%

FT UNIT TRUST INFORMATION SERVICE **AUTHORISED** UNIT TRUSTS Print Bryseart Staft Trest Mgast Ltd(e)(c)(d) House His, Parame Se, William 81-9354 House Starth his 123d 723 regers Ltd (2) Capel (James) Magt. Ltd 100 0to Breat St, EC20 180 Capital 97.0 Isotan 200.3 Starth American 200.3 ent Ltd Cont. Bd. of Fis. of Charch of Enghaett 77 Luvelon West, Landon EC2N 100. 00.500 MILS. Fee Ing Sec. Dec 31. 125.45. 20.05. Fee Ing Sec. Dec 31. 125.45. 20.05. 57.45 (12.2) Charities Official Invest. Fundt:
77 Lordon Wall, London EC2N 1DN 03-568 1815
Israme Dec 51. 370.44
4.6.00 Dec 10. 350.44 Clerical Medical Duit Trust Managers Ltd Narrow Plain, Brisal 852 D.M (8272) 277719 200.3 195.3 123.6 +0.4 257 es Ltd (g) ### Repair St. Electron St. Ele Atherta Unit to 46 Horozate, Landon ECLA to ... Adversor East Conto. 2004. According for the conto. 2004. According to 120 -- 2004. According to 120 -- 2004. According to 120 -- 100 --ा हो।। देवेद इस्टर्स्ट इस्टर die Unit Tet Mages Ltd lette Se, Edeburgh EH2 4DS EFM Welt Trust Ma Union Ho. 232 Bred Union Appril Do. Ant. Ho. Haritable Unit Trust Hinnagurs Ltd 52 Berteley Speare, London W.X.O.E.) UL-493 6621. Speare Fort Ltd. 70.0 -4.0 3.82. Speare Fort Ltd. 70.0 -4.7 7.97 Equity & Law On. Tr. M. (a) (c) St Georges Nos, Corporation St. Esseria Triat.

F. & C. Oult. Management 1

1 Lancour Postany Hill. Ed R. F. & C. American Fd. 48.3

F. & C. Cambrida Fd. 94.9

F. & C. Esseria Fd. 97.9

F. & C. Esseria Fd. 97.9 THE SEED OF | Access | A FO 2 230

| | Financial Times Monday January 27 1986 |
|--|--|
| Stawart I very Basit Trest Mgrs Ltd (a) 95 Charten ESH 641 BB, 01-235 5865 190, 01-235 | FIRENCIAL TIMES INCOLORS Property Crewith Assure On Links Gauded Stimustacturers Life Insurance On Links (UIK) Sti George's Wing, Server-stee State of the Company W |
| Profit Ground 1911 35.5 -0.2 (3.7) Emphasis and 1911 2013 -1.6 (10) Asset Designary Assertance Fig. State Control of the Contr | Previdence Capital Life Asso. Co Ltd |
| Pear Ground Fd. 27.9 77.0 41.7 27.0 10.1 27.0 10.1 27.0 27.0 10.1 27.0 | Commercial late |
| American Grand 612 627 +07 100 UK Grands Acc. 204 1134 +0.1 2A Par. Cap. Acc. 11172 1176.0 Int. Emergen Cap. 167 071 UK Income Acc. 204 75.00 105.01 107 107 107 107 107 107 107 107 107 1 | Control Cont |
| Provine purchase inc. 50.2 53.4ml 0.1 51.5 Swiss Life Peal Tat. Man. Co Ltd (a)(c) Per O.A.f. Car 197 a 197 | Minimised Mini |
| Printer Set 195.5 1ac of 40.3 1.31 Printer on inn it west deplay for 12 Printer on inn it west deplay for 12 Printer on inn it west deplay for 12 Printer on inn it west deplay for 13 Printer on in | Do Providence 1467 |
| Workstands Inc. 201 205 | Treat Insert In |
| 25-31 Monograms, London, Extensional 250.5 271 40.1 Long Do Institut 250.5 271.7 40.1 Long Do Institut 250.7 | Post, and Managera 120 127 120 |
| State Stat | Page ACF Shar 1956 111 01 French State 148 9 148 7 148 |
| Quadrate Core 1915 275 mm | 11 hb |
| Westington to: | Record for first Acc. Dr 1 91 92 92 92 92 92 92 |
| H.M. Bothschild Asset Management S. Switser's Law, Lordon ECA S. Switser's | |
| ## Stander Con 1143 127 +0.0 Cas | Prof. Deposit 125 |
| 1 Fichury Any, London ECCM 2PA 01-60 1006 Transattiantis: 2nd Gen. Sect. (c) (y) American Int 22 1005 2005 2005 2005 2005 2005 2005 2 | 10 10 10 10 10 10 10 10 |
| New Half Place, Invertood 1.07.915 951.227 4422 Safe American Int 22 104.7 107.0 104.1 10 | ## Craceford St. Langue ECLF State ***Manager** **27.6 |
| Reyal London Unit Tel Majors List | Description 1994 1100 1-12 Production Emission 1273 1680 |
| Regula Treest Cam, Fel. Migd. List Security Campoon Assurance List S | August A |
| SNG Management 1, Limited 10.0 10 | Depart head |
| Non-time of College 10 10 10 10 10 10 10 1 | |
| Total Action Total Total Accordance Total To | Secrety President Section 6 Bank-Linked Press Stangary Ford 1805 189 9 90 71 |
| Comparison Com | Nor tiest in 18 |
| ST Aus (1) | 2155 Prop. Agr. (Groun) 133.6 1007 hab 2155 Prop. Agr. (Groun) 233.6 264 1 Bat her 79 (2770 24.1) 415 2155 Prop. Agr. (Groun) 233.6 274 1 Bat her 79 (2770 24.1) 415 222 Many (Groun) 3743 204 1 Bat her 79 (2770 24.1) 100.0 222 Many (Groun) 3743 205 1 Bat her 79 (2770 24.1) 100.0 222 Many (Groun) 3743 205 1 Bat her 79 (2770 24.1) 100.0 223 Prop. Agr. (Groun) 3743 100.0 224 Prop. Agr. (Groun) 3743 100.0 225 Prop. (Groun) 3743 100 |
| Control Cont | 107.0 Panel Assessment (1984) Listed Panel List |
| Control of the Cont | Page |
| Maxim limits | Ingl. Courts Acc. Ingl. 100.2 100.0 +0.3 Ingl. Ingl. 100.0 1 |
| See Est 1979 11 Bloomine 51, Lordon ECA 197 11 Bloomine 51, Lordon ECA 197 11 Bloomine 51, Lordon ECA 1979 11 Bloomine 51, Lor | International Acc. 111.7 17.3 0.3 Sump Person 17.6 17.6 17.6 17.7 17.3 17.5 |
| Control Cont | Managed Front 277 0 252 0 |
| Scottish Life Investments 1972 1973 1974 1975 19 | Deport |
| Scottish Martral Investment Managers List Mart | Preparty 1940 1770 1860 1770 1860 197 |
| 6 St. Andrew Sq. Contamph 2 031-556-9181 407 1972 1972 1973 1973 1974 1973 1975 1974 1975 1975 1975 1975 1975 1975 1975 1975 | Service 1226 1314 Service 1015 1226 Service 1027 60.3 Serv |
| Scottisk Unit Namagers 100 1034 1037 1031 1034 1035 1034 1034 1035 1034 1034 1035 1034 1034 1035 1034 | Baster Are, Southern SS2 OH |
| 10 10 10 10 10 10 10 10 | Property Front |
| Amer Toch & Ged For Jon 5 Pacies Fill | Major Fuel U. 276 40.7 |
| UR General Fund | Presently Greath Proteins & Assessing Last Presently Greath Proteins & Assessing Last Present Greath Proteins & Greath Present Control of |
| | - 1. 4011 14021 -1191 |

Ļ

19

Financial Times Monday January 27 1986 INSURANCE, OVERSEAS & MONEY FUNDS | United | Column | C Steins Life Pensions Late
99-101 Langer Rd, Sevenasts
Ensier (191 av
Francis II. - 1955, 46
Inter Laterd (1955, 47
Inter Laterd (1955, 48)
Inter Laterd (1956)
International (1956)
International (1956)
International (1956) TSB Life Ltd | PO Box 795, 3t Nelver, Jersey | D534 275b1 | HK Bb. Bidg. Greentle St. St Nelver Schreider Heavy Frank Ed. | 77857 | 10.3 p. Coard Centre | Coard | Centre | Cent Hellerup Scandistavian Femal Ltd Tymial Home, Boulist, InM Scandingson Fe Jan 22 L 107.9 135.4ed | Personal Joseph Consider to the Constitution of the Constitution Schroder Unit Treat Mars, Int. Ltd. Box 273 St Peter Port, Guernery 04 | Comparison | Com Medical Control Contro Sentry Assurance International Ltd
PD Dan 1779, Nominon 5, Bermath
For Fundy-News, Mone UB 0227 41454

Seoul International Trust
Fund Name Unreal Invest Co. Ltd.
cb Videys, On Coops Ltd. Knop William Street, London,
ED4
MAY Wer 20,316-76, 108 value US31-157-29

MAY Wer 20,316-76, 108 value US31-157-29

The Contract Co. Ltd.
22 Charleste So. Fundament End Rec.
22 Charleste So. Fundament End Rec.

وكزامن الأعمل

TRUSTS—Cort.

| Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process | Final Process FINANCE, LAND—Cont.

Last By Yiel

Stock Price of Ret Contents PrE Financial Times Monday January 27 1986 INVESTMENT TRUSTS-Cont. PROPERTY—Continued INDUSTRIALS---Continued LEISURE—Continued Agr. Ags. Divaylor Presser.

Nov. May/Ducabaret inc. 50g
Doc. May/Ducabaret inc. 50g
Doc. May/Ducabaret inc. 50g
Jan. July Ducche & Lurdon
Fantana, May/Entron inc. 1
Entropy Rr. 1, 2, 2
Entropy Rr. 1, 2
E ## 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | Central African | 180 | 28.10 | 191000 | 2.5 | 23.5 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 10 | 25.2 | 07.5 | 2.1 | 2.4 |
| 10 | 27.2 | 07.5 | 2.1 | 4.6 |
| 10 | 27.2 | 07.5 | 3.1 | 4.6 |
| 10 | 27.2 | 07.5 | 3.1 | 4.6 |
| 10 | 27.2 | 07.5 | 3.1 | 4.6 |
| 10 | 27.2 | 07.5 | 3.1 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 10 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 27.2 | 27.2 | 07.5 |
| 488 30.9 25 15 / 25 15 7357 460 | -22 35 | -155 155 | 157 156 | 159 157 | 159 160 | -159 176 | -159 177 | 139 160 | -159 177 | 139 178 | -159 178 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 179 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -159 170 | -165 | 2511 | 20155c | 1.5 | 27.4 |
50 | 17.6 | 412.0 | 1.9 |
50 | 2.9 | 50.16 | 4 | 9.6 |
50 | 2.9 | 50.16 | 4 | 9.6 |
50 | 2.9 | 50.16 | 4 | 9.6 |
17: | 15.4 | 2.5 | 20.4 |
17: | 11.4 | - - |
125 | 121 | 146.0 | 4 | 140 |
125 | 128 | 149.3 | - | 10.0 |
130 | 21.5 | 21.0 |
131 | 21.5 | 21.0 |
132 | 21.5 | 21.0 |
133 | 21.5 | 21.0 |
134 | 21.5 | 21.0 |
135 | 21.5 | 21.0 |
136 | 21.5 | 21.0 |
137 | 21.0 | 21.0 |
138 | 21.5 | 21.0 |
139 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | 21.0 |
130 | 21.5 | | Received Precision Responsibility | 10.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | Miscellaneous 30 - 501.05 21 3.8
30 - 501.05 21 3.8
30 - 50.05 21 3.8
30 - 50.05 21 3.8
30 - 50.05 21 3.8
30 - 50.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.8
30 - 70.05 21 3.9
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.8
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 21 3.9
30 - 70.05 Unless otherwise indicated, prace, and net dividends are in pence and decommendations are 25s. Essential procedurance are to pence and contents and accounts and where prosible, are wishered on lateral annual reports and accounts and, where prosible, are stakered on half-yearly figures. Prils are calculated on "her" distribution bases, earnings per share being computed on profit after taxation and unreleved ACT where share being computed on profit after taxation and unreleved ACT where share being computed on profit after taxation and unreleved ACT where applicable, bracketed figures, indicate 10 der cent or some difference if calculated on "hell figures has not different and profit after lazation, excluding exceptional profit. Discretized in the profit after lazation, excluding exceptional profit and middle prices, are gross, adjusted to ACT of 30 per cent and after the based on middle prices, are gross, adjusted to ACT of 30 per cent and after the share of occasion of exception and rights.

1 Highest and Lows marked thus have been adjusted to allow for rights states for cash.

2 Internal since reduced, passed or deferred

3 Internal since reduced, passed or deferred

4 Internal since reduced, passed or deferred

5 Tau-free to non-residents on application.

6 Figures or report swatered

7 Host officially Uh. Issted, deatings, permitted water Rule \$355(41 a).

9 USAF, not histed on Stock Exchange and company not subjected to same degree of registation as based securities.

10 Debt in under Rule \$355(31 a).

11 Debt in under Rule \$355(31 a).

12 Debt in under Rule \$355(31 a).

13 Price at time of insupersion.

14 Internal stock of the state of the state of the state price price prevent devidend or forecast.

15 Debt in under Rule \$355(31 a).

16 Price at time of insupersion.

17 Internal stock of the state of the state makes for the statement state.

18 Price at time of Price and state for devidend and price insuface and price in states which may also reath for devidends or rarking only for restricted distributio | May | March | May | Ma MINES REGIONAL & IRISH STOCKS The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency Far West Rand "Recent Issues" and "Rights" Page 16 (International Edition Page 20) This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £875 are annum for each security.

and the second s

TECHNOLOGY

Warning of UK telecoms isolation

BRITAIN'S decision to allow competition in basic telecommunications services is unlikely to be followed by other European countries and may jeopardise efforts by the EEC Commission to co-ordinate national policies, according to a report by Logica, a leading UK computer services com-

It says the licensing of two rival UK telecommunications networks, operated by British Telecom and Mercury, runs directly counter to trends in the rest of Europe towards integration based on common standards and the develop-ment of advanced digital

"There is a danger that the UK may become isolated by its approach, particularly if, as seems quite likely, regulators decide to permit free circuit resale and further public telecommunications operators before the end of the decade," the report says.

While Britain had seized enthusiastically on US tele-communications deregulation as a model, other European countries had viewed the dis-locations caused by the breakup of American Telephone and Telegraph as a lesson in what to avoid.

The report argues that while the US and Britain see telecommunications as demand-led, most continental countries still see it as supplyled and are basing their future strategies on the monopoly provision of

Chief among these are Inte-grated Service Digital Net-works, which combine voice and data on the same networks, and which Logica sees as the main driving force for greater European integration in the near-term.

The 460-page report includes detailed summaries of national telecommunications policies and the services avail-able in 17 European countries.

European Communications Services Towards Integration. £345. Logica, 64 Newman St, London W1A 4SE. Tel: 01-637 9111.

The West picks up Japanese challenge BRITAIN and the US have responded differently to the shareholders. MCC firmly denies it is de-

challenge posed by the Japanese with their long-range research programme in quest veloping a super computer. It cannot, under US anti-trust law. of the fifth-generation computer. To survive at all it must tread gingerly bere, but has been helped by legislation in 1984 which has also encouraged other research partnerships in Each response is novel for the nation concerned. But they share a common objective and a common desire to transfer the discoveries from laboratory to

the US (see below).
Its shareholders include Control Data (the chairman of which, William Norris, profactory as swiftly and efficiently as possible. s possible. The Japanese challenge presumes that a new generation of computers will emerge in the 1990s, to succeed those based posed the idea), Digital Equipment, Honeywell, NRC and Sperry among computer makers. successivitye on vacuum tubes (valves), transistors, integrated circuits (chips), and very large scale integration (VLSI) of and Bell Communication Re-search (Bellcore, part of the former Bell Labs), Bosing and Lockheed among other hightechnology groups. But IBM is not among them, at least partly because of anti-trust worries, MMC says.

In contrast to this private-secmicroelectronic components. It builds on earlier and evidently successful collaborations in "pre-competitive research"—research and develop-

In contrast to this protor initiative which insists on
keeping government at bay,
Britain's Alvey directorate was
born of a Government inquiry
d headed by Mr John Alvey, which
recommended a national programme with substantial government support.

The backing of three

DeThe aims to assemble four ment preceding any specifica-tion of a new product—between leading Jupanese electronics companies, fostered by govern-ment, leading to new chips and VLSL

MCC firmly denies

it is developing a

supercomputer. It

cannot, under US

anti-trust law

Icot, the Institute for New

Generation Computing Techno-

logy, was announced in 1981. Its laboratories in Tokyo have

block diagram of a concep-

tual fifth generation computers, at which its £330m programme

is aimed, pinned up for inspir-ation. Icot does software re-

search in-house and contracts out the hardware research.

in 1983. First, in January, was the US response, a company

called Microelectronics and

Computer Technology Corpora-

tion (MCC) of Austin, Texas, founded by a group of competing computer and high-technology firms which had agreed, for the first time in the US, to

pool cash for a programme of

This research company develops tools and technology which may help its 21 shareholders develop their own fifthgeneration computers ard re-

lated products. Its research is unclassified — it has under-

taken no government contracts. And the results are wholly

pre-competitive research.

Boh Western responses came

government departments, De-fence, Trade and Industry, and Education and Science via the Science and Engineering Regramme of pre-competitive re-search, involving 60 com-panies, some foreign-owned such as Philips and IBM — 46 universities and polytechnics, and five national laboratories. It has no laboratories of its

own. Its research is spread nationwide, managed by more

HOW THEY COMPARE

David Fishlock looks at collaboration on advanced computers in the U.S. and Britain

Andrew Control of the


- CMMD.
- fifth-generation computers).

search should also follow Alvey in having a programme of demonstrator projects.

Apart from the demonstrators,

to permit team of profes

4. Systems architecture CLO-ye

project) seeklog big leaps in all

less than a month.

device chips.

MCC and Alvey have similar re-search programmes; not surprisingly since they are essen-tially "enabling" programmes (see chart).

MCC's shareholders can choose which ofthe four projects they wish to back, from one to all four, then share the expense equally with other participants.

ticipants.

each consortium averages four the research for which he is partners. Mr Cakley claims it helping to pay.

"is clear that the Alvey programme has succeeded in its MCC's research is its experi-

operative research clubs have also sprung up, focusing on longer-term collaboration than Alvey's five-year programme, in areas such as VLSI, software reliability and intelligent knowledge-based systems (IRBS). They widen membership beyond the consortia themselves and are expected to survive beyond Alvey. VLSI (eight-year project): aims to design a 1m-device chip in Software engineering (seven-year project to improve produ thity of large-scale wive beyond Alvey.

MCC has kept 97 per cent of its research in-house, in laboratories just outside Austin. where Packaging (six-year project) is automatically assembling Im-

it has recruited a team of 380 led by Admiral Bobby Inman, MCC spent \$50m (about £36m) last year, and has a research budget of \$65m this year. From the start, Admiral In-man recognised that a company without a definitive product could succeed only if its shareholders were seen to be using its

technology. Whereas Alvey relies on a passive process of technology transfer arising from the close association of disparate approaches to research — big-company, small-company, aca-demic — MCC is taking more

active measures. Each shareholder has design nated a scientist as its liaison employee no MCC's staff. He spends only 70 per cent of his time on research and the rest building the interface between MCC and the shareholder. It is his job to see that the nationwide, managed by more the conclusion that this progether in projects. About half shareholder, who is paying his than 100 consortia — groupings gramme of pre-competitive re- the 60 companies are small and salary, gets equal rights in all

objective of heing co-operative.
About 85 per cent of consortia include an academic partner.
In association with Alvey, co-operative research clubs have also sprung up, focusing on longer-term collaboration than its shareholders are likely this year, in the form of software for computerised design.

Universities are tied into the Universities are tied into the MCC programme, but at arm's length, as consultants. Its university affiliates programme has signed up 17 so far. It also plans to build a research centre on the campus of Texas University, Austin.

One basic criticism of the Alvey programme has been that

Alvey programme has been that it should focus more on specific applications and not just provide participants with enabling technologies. Mr Oakley says no: such a programmo is incompatible with government

But be accepts that problem and errors have arisen, for

Everyone knows that a hint of collusion could bring policing

by government or, worse, by competitors

example in estimates of the time example in estimates of the time and effort needed to forge agree-ments and start funding his con-sortia. He now believes his directorate should have given its collaborators more help. "To our surprise it turned out that everyone was leaving," he says in his annual report.

He also admits he made a serious mistake in asking the Defence Ministry to administer the VLSI programme and Sere the academic grants. He wanted to minimise central effort and bind the Government agencies more tightly. He got "diversity of behaviour and quite inexcusable bureaucracy." MCC is living with a different problem — US anti-trust para-noia. It still has critics who allege that its motives are sus-pect, and must police its own activities carefully to make sure that critics find no evidence of

that critics find no evidence of trust-busting.

Bill Stotesborg, in charge of
MCC relations with the Government says: "The shareholders are very careful to walk that line and make sure that their

employees walk that line."

A roller coaster to space

"Refurbishment

and Maintenance for Commerce and industry"

Tom Green

Construction Limited

0277-354141

VISITORS to the Pleasure Beach, Blackpool, can exper-lence some of the sensations of outer space on a new roller conster which uses control systems made by Allen Brad-ley Industrial Automation, based in Billion Reynes. The control hardware meni-tors the location of relice

The ride, the Space In-vader, simulates a space jour-ney and subjects passengers to effects such as mock spa battles and an aster

In a manner similar to railway signalling systems, the equipment coutrols brak-ing and ensures that vehicles travel at no more than a pre-set speed and do not bump into each other.

Carbon-carbon investigation

ROHE INDUSTRIES of Chuia Vista, California, has set up a laboratory to examino applications of new carbon materials in the aerospace

industry.

The week will investigate so-called carbon-carbon compounds, graphite structures reinferced with strands of carbon. The material can be useful in devices such as alreraft braices and needes for let engines.

Another promising application for the substance, which combines lightness with being extremely tengh, is in leading edges of wings in aircraft that need to withstand high stress and heat.

stand high stress and heat.

Air-cooler

ANCOM of Cheltenham is selling a new type of air cooling system to ensure that hardware such as computers and radio transmitters is kept at low temperatures. The system includes sensors that onitor air flow.

MCC

- (VSLI): 1-micros geometries
- oftware engineering.
- Intelligent knowledge has systems (IKBS).
 Man-machine interfaces
- 6. Large demonstrators (prototype 7. Infrastructure and

Alvey has no anti-trust prob-lems. It aims to assemble four large demonstrators, designed to search Council (Serc).

Alvey is co-ordinating a programme of pre-competitive research, involving 60 companies, some foreign-owned markets for Britain in the 1990s.

A review of Esprit, the Euro-A review of Esprit, the Euro-pean Strategic Programme of Research in Information Technology, with which Alvey re-lates closely, has just reached the conclusion that this progether in projects. About half

How US is rewriting anti-trust laws

MCC has been acclaimed as not commercial competitors. biggest co-operative arch and development effort in the US. This is not The Electric Power Research Institute, with 500 members among electric power companies, has an income of nearly \$357m (£265m) compared with \$65m for MCC. It uses this income

to place research contracts worldwide, including some in the UK. The programme is managed from its head-quarters in California.

The institute's members, like those of other well-accepted US cooperative research bodies, including the Gas Research Institute. research bodles, including the Gas Research Institute, are

MCC's approach is to manage a central laboratory for long-range research, ex-pected to take between six and 10 years, on behalf of shareholders who may be competitors. It was chartered in Angust, 1982, but not until December that year did the US Justice Department give its (heavily qualified) ap-

Debate about the legality of co-operative research between rival companies coninned for nearly two years. In October, 1984, the Co-operative Research Act was signed by President Reagan.

permissible joint research venture. This must stop short of any exchanges of cost, szies, productivity, prices, etc. "or service that is not reasonably required to conduct the venture's R & D." It must not provide products, processes or services. It must not make agreements

relating to inventions or

levelopments which have

taken place outside me co-operation. So far, more than 40 US industries have signalled their interest in forming research ventures similar to MMC, taking advantage of the US Act. A software produc-tivity corporation of 11 com-panies has recently been formed in Virginia. A fibre-optic consertium of six companies has been erganised by Battelle to do research in its laboratories.

Other proposals for cooperative research filed with the US Justice Department last year included five involv-ing Belicore with other parties (in one case Racal) and a multi-national venture in using computers Improve productivity of manufacturing industry, which cites 38 European and

Almost every week someone introduces a

new financial modelling,

consolidation or management information package. They look alike. Read about them, and they even sound alike. But load them, and it's obvious they aren't.

PlusPlan is the only one which was designed by accountants for accountants. So its approach is rather different from its rivals. And uncannily similar to yours.

Developed for the IBM PC family, PlusPlan thinks in terms of trial balances, debits and credits, charts of accounts, reporting periods, groups of companies: the way that you see your organisation. for you, clip the coupon and post it today. It's equally exciting for data

processing specialists too.

MusPlan operates in a fourdimensional frame which is flexible, friendly and extremely powerful. Naturally, it incorporates high-level security

And naturally, it comes with a full user manual and a demonstration disk.

PlusPlan is one of a growing number of software products and services from Deloitte Haskins & Sells, one of the leaders in the field. Apart from software, they can also offer consultancy advice, training and more.

To see what PlusPlan and Deloittes can do Then by all means check out some of the



Company_ Address

FT27/1

S.A. LUXEMBOURGEOISE

Company Notices

Société Nationale

des Chemins de Fer Belges (S.N.C.B.)

(B)

Nationale Maatschappij

der Belgische Spoorwegen (N.M.B.S.)

US\$ 75,000,000 Floating Rate Notes due 1991 guaranteed by The Kingdom of Belgium

(of which US\$ 50,000,000 is being issued as an Initial Tranche)

In accordance with the provisions of the Notes, notice is hereby given that for the initial interest period from January 23, 1986 to April 23, 1986 the Notes wil carry an interest rate of 8 % p.a.

The interest payable on the relevant interest payment date, April 23, 1986 against coupon nº 1 will be US\$ 2,046.88 per Note of US\$ 100,000 nominal and US\$ 5,117.19 per Note of US\$ 250,000 nominal.

The Agent Bank

KREDIETBANK

NOTICE

CALL FOR TENDERS No. 1894

SYRIAN ARAB REPUBLIC

General Company of Homs Refinery Sub. Base Lube oil complex project

General Company of Homs Refinery has extended the deadline for receiving offers for same sub. till March 15th, 1986.

For more information please contact: BASE LUBE OIL COMPLEX PROJECT COMMITTEE GENERAL COMPANY OF HOMS REFINERY P.O. Box 352, Homs, Syrian Arab Republic Telex: HRC - 441004 - SY --- Cable: Homs Refinery - Syria

Homs Refinery Dr. M. K. Karfoul Geoeral Director

CLASSIFIED ADVERTISEMENT RATES

From January 1, 1986

Commercial & Industrial Property Residential Property 9.00 30.00 Appointments 41.00 39.00 39.00 30.00 12.00 11.50 11.50 Business, Investment Opportunities Business for Sale/Wanted 9.00 Motor Cars 30.00 30.00 39.00 Holidays & Travel

Premium positions available \$8.00 per single column em extra All prices excinde VAT For further details write to: Classified Advertisement Manager Financial Times, 10 Cannon Street, London EC4P 4BY

CITY OF OGLO VILLE DE MONTREAL C\$20,000,000

Contracts and Tenders

NOTICE OF PREPAYMENT

17% 1982/1989 Bonds

THE FIRM ADERS

Luxenhoury, January 27, 1986.

71% 1972/1987 FF: 100,000,000 Bonds for the amount of FF 2.965,000 have been drawn on January 13, 1985 in the presence of a Norary Public for redwartion on March 1, 1985. The following Bonds will be redeem-able common due March 1, 1985. 19177 to 19769 Incl.

anding: FF 20,000,000 KREDIETBANK S. A. Luxembourgeoise B. January 27, 1986.

Clubs

FINANCIAL TIMES

INTERNATIONAL & BRITISH EDITORIAL, ABVERTISEMENT & CIRCULATION OFFICES

P.O. Box 207, 128 Queen Victoria Street, London EC4P 4JX. Telephone: 01-248 3913. I should like a copy of your PlusPlan booklet. I I should like a free demonstration. I should like details of your other software. Name.

The state of the s

| | NEW YORK | Indi | ces | |
|----|---|---|---|---|
| | pow Jan. Jan. Jan. Ja | | Jen. Jan. J | an. Jan. 1985-88 |
| | JOHES 24 95 29 2 • InduMn'is 1529.93 1511.241502.29 151 | 1 20 High Low High Low | 24 93 | 22 21 High Low |
| | | 5.84 84.15 84.67 72.72 — - 17/1-86) 28-5.85 5.25 715.91 739.21 555.83 739.81 12.52 | Metals & Mittis, 11-1-80) 529.4 535.9 | 545.5 545.5 685.6 (20/5) 562.5 17:1/95) 6 5 7 125.02 124,47 126,82(15/1/96, 58.21 (24/1/85) 1 |
| | | 24 1-35 14:1.85; 24:1-85 18, 7:82; 0.80 172.54 115.08 146.54 178.06 10.5 | AFI CIUM | 817.53 2822,73 2986,38 (25:11) 2090,7(18:1-85) |
| | STANDARD AND POORS | | DENMARK | 215.84 214.37 237.78 12:1/56: 159.44 15:1/65: |
| | Composite: 206.46 204.95 203.42 201 Industrie 228.08 996.79 924.88 22 | 7/1/88 4/1:85 7/1:86 1:5/82 | | 271.6 271.4 282.5 (2/1/85) 180.3 (3/1/85) 102.5 102.5 (8/1/86) 180.0 (5/1/2/85) |
| | | | | 78.82 687.42 718.76:15/1/88; 352.38:5/1/85) 944.7 2075.1 2191.6(15/1/86; 1111.6/16/1/85) |
| | H.Y.S.E. 119.89 118.14 117.75 11 COMPOS'TE AMEK.MKT. 243.75 241.57 241.81 24 | 8.95 119.86 [25,14 94.80 — ~ 7:148 8-1:85 — ~ | | 757.84 1775.18 1525.84 18/1/58 1226,74/2/1.857 |
| • | VALUE | 7:186 5:1:85 7:1:88 8:12:74 8.58 399.51 839.72 246.91 830.72 54.87 17:1:88 2:1:85 17:1:86 8:18:74 | JAPAN ⁴⁴ | 477,55 489,47 489,47(2)/1/66; 228,56 (2:1/65) |
| | OIVIDEND YIELDS Jan. 17 Jan. 10 Dow Industrial 4.15 4.21 | | Tokyo 2E Hew 4:1:60 1051,16 1626,69 1 | 827.53 1025.65 1057.55 (10.7) 818.98 (4/1/85) |
| | 9 and P Industrial 5.45 3,46 9 and P Industrial 14.65 14.61 | | ANP.CBS Inclust (1870) 246.5 241.4 NORWAY | 251,7 284.1 268.5(17;1/88-147,8 15 1-45) |
| | Jan. Jan. Jan. Velume 1 94 25 99 | Hew Yerk Jan. 24 Jan. 23 Jan. 22 January Traded 1,654 2,005 9,002 Rises 11,136 795 631 Falls 446 750 1,051 | SINGAPORE | 86.61 900.09 852.65 7/81 682.41/25/1/86) |
| | Ames 11.795 10,377 10,797 | Unchanged 419 480 490 Hew Highs, — 69 74 New Lows — 33 69 | SOUTH AFRICA JSE Gold (28/8/78) — 1287, 1 1 JSE Indust (28/8,75) — 1083, 1 : 1 | 289.4 1279.8 1279.8 21/1-68 828.5 (5/8) 092.2 1097.5 1112.8/4/1,88) 767.1 (7/8) |
| | CANADA TORONTO Jan. Jan. Jan. Jan. Metala 2 24 93 22 9 | n. Jan. 1985/86 | SPAIH Madrid SE (80/12/65) 103,88 110,81 1 2WEDEN | |
| | Minorale 2205.34 9154.5 9145.3 2191 Composite 2210.1 2775.3 9758.9 2814 | A SO MIGH LOW I | Jacobson & P 161/12/56) 1765.54 1747.61 17 | 768.52 1765.58 1997.25,8/1/85/1286.52 /5/7) |
| | Portlehe · 157.67 135,77 134,26 13 NEW YORK AC Change | 7.34 139.45 142.87(17/12/85 117.0 14/1/851 Change | M.A. Capital Mark (Shirt) | 250,4 252,1 258,6 (7/1/88), 154,8 (4/1 86) |
| | Finday Stocke Closing on the stocke Phillies Pet 3.279,700 11% + % Regulblic 3.240,500 15% + 1% | Stocks Closing on traded price day ATT | "Seturdey Jenusry 25: Japan Ni Base value of all indices is 100. except "JSE Industrist2643: Australia All Ordinary 50: Standard and Poors—10; and Torente | and Matale SVC: NYSE Composite |
| | Western A:1 2,407,400 2 + 74 NWA Ind 2,039,500 17 - 74 AMR Core, 1,224,700 477, +33 | Merrill Lynch 1,512,800 404 - 3, 18M 1,407,700 150 +2 Texace 1,307,700 284 +14 | Indices based 1975 and Manned Portle Industriels plus 40 Unities. 40 Finan u Unavailable. | lie 4/1/83. I Excluding Dongs. \$ 400 1 |
| | AUSTRIA | GERMANY . | NORWAY 1 | JAPAN . |
| | 1285-6 Jan. 94 Prica High Low Sch % | 1985/6 Jah. 24 Price High Low Om | 1985.6 Jan, 94 Price High Low Kroner 175 124 Bergene Bank. 162 | 1925.6 Jan. 95 Price High Low Yen |
| | 9,448 2,150 Credit start pp* 2,290 3,800 5,075 Goesser.*. 5,550 18,100 14,100 Interuntali* 14,100 43,500 43,500 Jungbungker*. 41,500 | 319 100.3 AEG | 477.5 535 Borregeard 452.5 163.5 134 Christians 8k 174 189 134.6 Oen Horsk Credit 176 | 1,555 1,04¢ Amomoto 1,190 812 415 All Hippon Air 218 2,997 1,195 Alpa Electric 1,900 1,100 527 4sahl Chem 782 |
| | 2,470 2,050 Laenderbank* 2,050 805 356 Perimoser | 294.5 185 Sayor 282 254 309.5 Sayorn Hypo 587 605 618,2 Sayorn-Verein 532 680 261 SHF-Bank 853 | 237 171 Koamos 186 211 156 Kvaerner 177.5 467.6 302 Norsk Dets 419.5 186.5 96 Norsk Hydro 136.5 | 1,100 821 4sahl Ghem 782 945 769 Asahl 91ass 910 9 275 700 Bank Tokyo 706 576 800 Bridgestons 518 745 640 Brother Inds 575 |
| ઢ | BELGIUM/LUXEMBOURG | 532.5 351 SAW | 308 217,6 Storebrand 971 | 1,480 880 Canon 1,110 2,060 1,350 Casio Comp 1,840 1,270 840 Chugai Pharm 948 883 605 Daset 860 |
| | 1295.6 Jan, 24 Price Fri. 2,600 1,750 B.B.L 2,330 | 1,446 525.5 Daimler Benz 1,417 514 338 9egusse 488 246.5 150 D'sche Babook. 651.6 935 383.5 Deutsche Bank. 837.6 | 1985/6 Price | 1,990 1,690 Dia-lehi Kan. Bk. 1,519 357 187 Dia Hippen Ink 304 1400 959 Dei Hippen Ste . 1,300 |
| | 9,859 5,440 Bang, let. A, Lix 9,700 2,019 4,380 9ekaert 9 8,700 3,100 2,860 Ciment CBR 3,070 | 482 178,9 Oresdner Bank 434 285 147 GHH | 26,600 15,400 Banes Com'le 20,000 539,5 56,5 Rastogi IRBS 592 4,480 2,182 Centrale | 1,060 631 Dalwa Sec |
| | 2,500 5,530 Oelhaizo | 300 182.5 Hoechst | 3,550 1,960 Credite Iftaliano: 3,275 6,531 2,065 Fini 8,201 83,500 24,450 Generali/asicur: 75,159 65,150 24,680 Italcementi 48,800 | 2,180 1,550 Fuji Film 2,939 1,320 808 Fujisawa 893 1,260 865 Fujisawa 1,060 |
| | 2,380 1,855 Fabrique Mat 1,955 9,259 2,855 98 Inne 8M., . 4,760 2,760 1,835 GBL, 8n.x 2,359 4,800 3,030 Generale Bank . 4,430 | 476 27 Nusad 446 384 206 Karstadt 388 407 205,6 Kaulhol 321 | 1,068.5 522 La Rinascento 2,719 2,961 1,340 Monledison 2,719 10,050 3,755 Olivetti 9,435 6,980 5,460 Piralli Co 6,099 | 2,450 1,600 Green Cross 2,039 973 577 Helwa Reat Est 801 |
| | 7,390 5,170 Hoboken 3,990 5,050 9,025 Intercom 3,005 | 395 247 KHO 575 126,5 59 Kloeckn47 95,5 696 361 Lunda 661 418,5 180 Lufthanas 286 | 3,938 1,996 Pirelli 2pa 5,938 7,299 2,429 Salpem 4,700 5,950 9,103,501 9P0 5,450 30,480 12,420 Toro Asalc 26,500 | 893 630 Hitachi |
| | 11,900 9,850 Pan Hidgs | 260 145,6 MAN. 217 311,9 149,7 Mannesmena 290 1315 509 Percedes Hid. 1,255 1430 917,5 Metallgeself 596 | AUSTRALIA | 489 520 isuzu Motere 345 476 325 itohi G. 427 3,190 9,270 ito-Yokado 3,010 11,520 4,960 JAL 3,1526 1,040 660 Juseo 3,1040 |
| (۲ | 1,656 879 Stanwick Intl 1,070 | 3,950 1,068 Muenoh Rueck 3,410 613 507.5 Hixdorf 588 1,525 1,925 Porscho 1,365 356 257 Proussag 285 | 1985/6 Jan. 24 Price High Low Aust, 6 | 1,030 794 Kao Soap1,030 913 154 Kawaski Steel 136 |
| | 5,230 4,500 UCB | 235 190 Rhein West Floot 297,8 390 238 Rosenthal | 2.46 1.75 Ampoi Pet 2.4 1.6 0.75 Ashton 1.27 3.1 1.88 Aust. Cons. Inds. 3.02 | 790 548 Kirin 755 240 144 Kobe Steel 174 619 433 Komatsu 485 748 601 Kontahiroku 725 |
| | DENMARK 1985:6 Jan. 24 Price. | 190 65.4 Thyseen 175.5 343 174 Verta 525 307.5 165.7 Vebs 291.5 155 182 V.E.W 154 | 3.4 9.2 Aust Guarantee. 2.45 3.1 9.26 Aust Hat Inda 3.92 3.96 2.4 APM 3.97 12.0 4.7 Bell Group 7.2 | 418 316 Kubota |
| | High Low Knr. t 418 257 Andelsbanken 315 b 725 520 Baltic Skand 545 | 433 500 Verein-West 408 566 189 Volkewagen 524 | 6.5 9.19 gell Res. 5.16 2.29 0.97 sond Corp Hidgs 9.13 8.86 3.06 Sora 3.32 2.49 1.51 Sougainville. 9.15 | 1,660 225 Marul 1,619 492 389 Mazda Motors 390 581 458 Meius Seiks 548 |
| | 353 259 CopHandelsbank 303 675 395 O. Sukkerlab 395 400 250 Osake Bank . 352 1480 1.055 De Canske Luft, 1,469 | NETHERLANDS 1985:6 Jan. 24 Price High Low Fie | 4.6 3.46 Brambles Ind., 4.6 2.66 1.2 Bridge Oil 2.15 9.9 4.34 B. H. Prop 2.74 | 1,360 1,050 ME1 |
| | 270 129 East Asiatic 236 1,060 779 Forenede Brygg 205 255 88 Forenede Damp. 219 685 325 GNT Hidg 895 | 619 198,5 ACF Holding 295,6 123,2 78 AEGON 118,3 266 75,4 Alhold 85,4 | 6.5 4.28 CRA 5.74 8.25 3.64 CSR 3.65 Claremont Pet 1.18 4.6 3.60 Coles C.J 4.47 2.88 1.6 Comalco 74 2.00 | 419 334 M'bushi Elect 347 1,240, 539 M'oushi Estata1,090 478 954 MHI 370 1,980 950 Mrisui Bank 970 494 324 Misuul Co |
| | 640 340 i.2.9.8 | 167.8 100.5 ANZO 185 609.5 569 ABN 580 94 52.7 AMEV 88.5 117.5 65.5 AMRO 110.5 | 0.45 9.29 Consolidated Pat 0.22 2.6 1.25 Costoin Aust 9:15 | 494 324 Mitaul Co. 420 1,140 596 Mitaul Estate 1,920 289 185 Mitau Toatau 910 725 590 Mitaukoshi |
| | 525 260 Provinsbanken 421 345 217 Smidth F.L. 2 296 1,150 560 Sophus Berend 215 539 266 Superfos 286 | 22.5 12.8 Bos Kalie Westm. 16.5 147 76.5 Buehrmann Tet 138.5 39.7 97.9 Galland Hildge 28.5 | 3.28 2.38 Elders IXL 5,14 1,65 1,50 Energy Res 1,58 3.25 2.05 Gen. Prop. Trust 8,16 3.84 8,33 Hardie James 3,45 | 945 671 HGK Insulators 212 750 365 Hikko Sec 670 1,480 1,150 Hippon Demo 1,380 |
| | SWITZERLAND | 125.5 117.5 Eleavier-NOUnv., 180.5 88.5. 43.1 Fokker | 9.6 1.59 Hartogen Energy 1.8 6.22 5.4 · HeraldW'y Timee 5.24 9.4 1.84 ICI Aust 3.3 9.59 0.92 Jimberiena F.P. 0.23 0.62 0.1 Kaora Gold 9.18 | 1,960 900 Hippon Elect 1,310 700 322 Hippon Explass 575 9,600 1,040 Nippon Gakks1,570 1,610 730 Nippon Kopaks1,070 |
| | 1985-6 Jan. 24 Price Frs. 5 075 2 330 Adds Intl 4,800 | 245.6 146.1 Herneken | 6.36 4.90 Krdsten Gold 6.25 7.10 4.86 Lend Lease 6.56 5.45 2.23 MIM 2.98 | 162 129 Hippon Kekan. 151 995 703 Hippon Ol 797 693 448 Nippon Seiko. 486 821 520 Hippon Shimpan 821 |
| • | 5.075 2.330 Addia Intl. 4,800 930 630 Ausutsse. 695 4,850 3,555 Stank Leu. 4,426 1,950 1,850 Srown Bovert. 1,760 4,550 9,470 Cibos Geigy. 4,040 8,525 9,950 do. (Part Certs) 5,040 | 144.9 40.4 KHP | 5.7 1.85 Myer Emporium. 3.5 6.10 5.40 Het. Auet. Bank., 4.62 | 304 143 Nippon Steet 136 434 526 Hippon Sultan 342 350 926 Nispon Yusen 989 665 562 Nispan Motor 569 |
| | 8,700 9'610 Electrowett 3,475 | 917.7 195.9 Hediloyd 458 268,5 Oce Grinten 451 67,5 28,6 Ommeran IVani. 34,9 | 2.90 1.29 Nicholos Kiwi 2.8 0.78 9.65 Horanda F. (P) pd 1 0.78 2.22 1.72 Herth Bkn Hill. 9.78 1.39 0.65 Ozkbridge 1.20 | 1,390 885 Marriura |
| | 141,900 93,500 Holf-Roche PtCts 132,580 | 65.9 45.3 Philips 61.9 66.7 69.6 Robers 84.1 141.7 131.3 Rodamce 135.5 | 9.15 0.90 Panconlinentel 1.50 9.71 1.51 Piencer Conc 9.7 4.8 9.45 Poseidon 2.95 | 1,450 890 Olympus 1,950 411 221 Onade Coment 511 950 700 Orent Finance 913 6,540 8,250 Orient Leasing 2,660 3,279 1,590 Pioneer 1,1890 1,160 791 Ricoh 1,080 |
| | 7,950 5,545 Jacobe Suchard: 7,275 3,950 1,999 Jeimeli 5,400 2,356 1,570 Landis & 9 yr 2,260 9,500 5,500 Hestlo. 8,525 1,720 1,290 Oer Buehrie 1,695 495 259 Pirelli. 326 | 75.4 43.3 Rorente 46.8 219.9 166 Royal Outeh 156.7 412.5 314 Unilever 391 | 1.56 1.08 Repco 1.51 6.65 4.95 Sentos 5.3 | 1,720 1,170 Sanwa Bank 1,339 |
| | 12,000 7,000 Sandez 81 | 290 149 VMU | 9.9 1.71 Thee Natwide 2.83 9.1 5.1 Toolh 5.3 4.6 2.65 Vamgers 9.65 | 791 699 Sappore 544 909 535 Sekisui Pre/ab 805 9,930 8,100 Seven Eleven 9,460 1,180 740 Sharp 936 481 221 Shumbu Constn. 355 |
| | 1,980 1,000 Sika 1,700 7,100 3,785 Surveillence A. 6,550 1,970 1,048 Swisser 1,970 625,5 355 Swiss Bank 665 18,950 8,375 Bwiss Reinste 15,000 | SWEDEN | 4.54 .2.62 Western Mining. 3.60 5.26 5.35 Westpac Bank 4.51 1.61 , 9.77 Woodside Petrel 1.16 3.58 2.55 Woolwerths 3.45 4.00 5.19 Wormad Nut 3.65 | 930 649 Shionogi, 775 1,440 1,039 Shiperite, 1,350 952 199 Shows Denko 910 |
| | 18,950 8,375 Bwiss Reinste 15,000 6,529 1,430 Swiss Reinste 15,000 5,450 3,580 Unlen Bank 2,910 5,400 3,319 Winterthur 3,150 6,600 8,900 Zurich Ins 5,950 | 1985-9 Jan. 94 Price High Low Kroher 907 105 AGA | HONG KONG | 5,020 3,360 Sony |
| | FRANCE | 3L0 285 A9EA Free 595 550 335 Artra Free 623 198 97 Allas Coppo 173 | 1985/6 Jan. 24 Prica High Low H.K.S | 169 137 5'tomo Metal 137 445 195 Taisel Corp 332 717 355 Taisho Marine, 496 |
| | 1985 6 Jan. 24 Price High Low Fre. 1,775 1,429 Empruni 4/4 1975 1,480 | 295 216 Cardbistas 168 190 115 Cellulosa 168 232 198,5 Electrolux B 207 310 191 Ericston B 224 495 993 Ezsette 465 | 27.9 19.2 Bank East Asia. 95.5 99 19.6 Cheung Ken9 27.3 17.4 19.3 China Light 16.1 1.6 0.54 Evergo 0.65 54 40.26 Hang Seng Bank 48.0 2.42 1.56 Henderson Land 1.95 | 990 700 Takai Kobe Bk. 690 1,040 735 Takega. 982 6,550 3,510 T0K. 4,240 552 499 Teljin 470 1,300 929 Tha Henryo 1,180 |
| | 1,775 1,429 Empruni 4/£ 1973 1,489 8,629,9 7,030 Empruni 7½ 1873 7,770 358 635,2 Accor. 313 720 508 Air Liquide 597 | 255 149 sto Och Domsjo. 190 225 162 Pharmacis | 9.00 6.66 HK Electric 9.8 | 1,200 855 Tokai Bk 979 1,050 750 Tokio Marine . 845 2,040 1 400 Tokio Filest Page 340 |
| | 605 439 BIC 545 9.070 1.351 Bong rain 1,659 1,130 602 Bong rain 1,010 2,949 1,975 BSN Gervais 3,065 | 380 240 Bkendia | 6.95 3.89 MK (and 0.9 8.1 6.65 MK Shanghal Bk 5.0 11.5 4.97 MK Telephone 10.7 | 626 391 Tokyu Corp 676 |
| | 1,635 390,1 Glub Mediter 495 2,627 470,8 Cie Banczire 991 | 195 130 St. Kopparbergs. 166 972 140 Sven Handelsbn. 250 271 180 6wadish Maleh 249 375 911 Volve 8 /Free 336 | 28.9 18.5 Hutchlson Wpa 25.6 1.9 0.65 inth City 0.97 14.6 8.08 Jardine Math 19.8 8.55 6.1 New World Dev. 6.50 1.76 1.95 Orient ("saas 1.98 13.9 7.9 SHK Prope 12.2 9.05 0.85 Shall Elect 0.99 | 435 839 Toshiba Elect 379 1,750 807 Toyo Selfan 1,759 1,380 1,000 Toyota Metor 1,240 974 200 UBC Inds 209 |
| | 16 382 259.5 Collimes 364 2,446 1,510 Oamart 1,845 2,345 1,928 Darly 9,918 | SOUTH AFRICA | 8.1 5.1 TV-B 8.1 | 925 580 Yemaicki Sec . 664 4,450 2,480 Yemanoon 5,090 |
| | 250 177 Ell Aquitaine 200 3,130 1,810 Essilor 200 | High Low Rand | | 998 610 Yemezaki 800 729 351 Yesuda Fire 496 SPAIN |
| | 850 . 361 La Farge Coppee 800 3,110 3,221 L'Oreal . 2,939 | 9.7 6.55 AE & CS | SINGAPORE 1285/5 Jan. 24 Prico | SPAIN 1925 G Jan. 94 Piles High Low Pla & |
| À | 2,900 1,850 Legrand 2,900 253,4 146,5 Marsone Phenix. 181 1,705 1,900 1,400 Metra S.A. 1,705 1,795 735 Michelin 8 4,675 | 90 - 60 Bullets 83 | 1.86 9.99 Bouetand Hidgs . 1.09 | 498 605 800 8libao . 461 418 305 800 Central 405 249 192 800 Extenor . 230 230 141 800 Hispano 824 |
| | 2,429 1,745 Moet Hennesey. 8,490 115,5 51,5 Moulinex 173,5 | 6.0 3.1 Curris rinance . 4.9 18.65 8,07 De Beers 17.5 57 40,25 Oriesontei n 52.5 | 6.4 4.46 083 4.66 6.5 4.04 Genting 4.22 9.59 1.58 Haw Par, Bros 1.68 3.32 2.05 Hong Leone Fin 2.30 | 565 330 Bee Popular 539 489 324 Boo Santander - 478 710 399 Boo Vizcaya 687 |
| | 188.1 73.2 Nord Cell 975 813 641 Permod Ricera 975 563 417 Permer 600 331 205 Petrolen Fra 312 | 85.75 39 75 Gold Fields S.A., 40.5 9.9 3.5 Highveld Steel 5.9 15.80 7.9 Necbenk B.9 | 1.84 9.85 Keppel snipyard 0.90 6.45 9.24 Malay Banking 4.85 9.8 1.18 Malay Utd. int. 1.25 | 94 70 Hidrola 85.2 119 81.5 Iberdustor. 104 225 125.5 Petroleca 225 |
| | 579 240 Peugrol S.A. 578 493 177.5 Printempte Au. 445 485 912 Radiotech 1,955 2.118 119.2 Redoubte 1,955 | 15.65 19 OK Sezars 13.50 9.2 1 Protea Higs 9.8 52.75 29 Rembrandt 61 29.5 14.75 Rust Plat 97 15.00 10.25 Sefran 14.76 | 1.05 0.42 Multi Purpose. 0.49 8.55 6.80 OCBC 5.95 | 144 94,5 Teleforics . 130,7 |
| | 2.118 119.2 Redoubte 1,720 1,368 Roussol Ucial 1,642 414 281 Seffmed 1,259 1741.7 1,160 Skin Rossignol 2,850 2,935 2,200 Telemec Elect 2,850 | 16.00 10.25 8afran | 6.85 5.40 Singapore Proce 5.75 3.79 1.24 Strauts Trading 9.06 | MOTES-Prices on this page are as quested on the individual exchanges and are last traded prices. Spelings |

| ies. | Stock | High | Less | Class | Cheg | Sales | Stock | High | Low | Close | Cheng | Sales | Stock | High | (Out | Close | Chery | Sales | Stock | High | Low | Close | |
|-------------|-----------------------|---------------------|-------------------|----------------------|------------------------------|----------------|---------------------------|--|--|-------------------------------------|-------|-----------------|--------------------------|---|--------------------------------------|---------------------|-------|----------------|---------------------------|--|--------------------------------------|--------------------------------------|-------|
| • | TOR | ON | TO | | | 8700 | Comput in | 274 | 250 | 270 | + 10 | 2600 | Ipaco Ivaco A 1 | 512½ 319% | 127 ₂ 183 ₄ | 1212 | +1 | 62050 3100 | Regioni A | 617 375 | 167 <u>a</u> 370 | 173 ₀ 370 | + |
| | Closing pr | ices J | nua | ry 24 | | 31828 | Comferm Con Bath A | 203 \$20% | 201 10% | 201 20% | +1 | \$6848 15000 | IVACO B | 518°s | 19 | 1954 | + 18 | 2700 | Reitman A f | \$2634 | 2572 | 261 ₇ | |
| 5 | AMCA Int. Aberiord | \$15 | 1514 | 1514 | -19 | 2200 | CDistb & 1 | \$8 5245 | 2414 | 2412 | +14 | \$5557 2800 | Jannock Kerr Add | 5215g \$177g | 211 ₈ 173 ₈ | 215 177 | + 12 | 23470 1701 | Rio Algom Rogers A | \$243 ₀ \$12 | 233. 12 | 12 | + |
| 00 | Abitibu Pr | \$17 | 167 | 160 | + 11 | 1 1900 | Con Glass | \$1834 | 183 | 181 | + 1 | 1600 | Kiena Gid | \$2412 | 241 | 201 <u>1</u> 301 | +14 | 8653 26304 | Rogers B (| \$154 \$137 | 151 ₂ 151 ₁ | 153, 131, | ŧ |
| 800 274 | Agrico E | \$24°1 | 144 | 151 | + 11/2 | 4585 4600 | CTL Bank Conwst 2 | \$9'1 \$7) | 328 | 71 | + 18 | 25913 68857 | Labett LL Lac | \$304. \$357 | 351 | 35% | - 3 | 700 | Rothman | 536 | 34 | 340, | ٠ |
| 30 | Afterta N | \$15 \$427 | 144 | 15 | +10 | 50 9650 | Corby C Falcon C | 57/2 517/2 | 1672 | 17 ¹² 2 | - 4 | 4400 12700 | Lacane Ladiaw A | 5 103, 2 131 | 103, | 1034 | + 19 | 72253 2618 | Royal 2nk RyTrco A | 531% 5227 | 311s 221s | 311, 224, 265 | + + + |
| | Algorna Si | \$20 | 194 | 193 | -14 | 233 | Coseke R | 225 | 220 | 220 | +5 | 45810 | Laidiw B 1 | 61412 | 14 | 141- 400 | + 10 | 81647 3750 | Royer SIL CemA 1 | 265 \$2672 | 255 | 285 267 | + |
| e K | Assmera Alco I f | \$150g | 111- | 193. 115. 104. | - 10 | 850 | Costain Lid | \$101/2 \$231/4 | 23% | 23% | | 90870 5400 | Leigh Inst Loblism Co | 400 522 | 385 22 | 22 | T 10 | 34312 | Sceptre | 410 | 400 | 410 | |
| 00 | Aten & | \$104 | 105 | 164 | -1 | 127900 | Crownx A 1 | 527 | 2115 | 22 185 | - 5 | 7239 200 | Lumonica MSFI Ex | 5171 ₂ 320 | 171 | 171 ₈ | | 294 | Scott Paper Scotts F | \$21 \$28% | 21 28% | 21 25% | - |
| | BC Sugar A | \$711 | 734 | 776 | ~ 6 | 82400 27604 | Czar Res Daon Dev | 195 450 | 180 445 | 450 | -3 | 9520 | Moten H X | 5147 | 143. | 147a | | 200 | Scotts C | \$283 ₄ | 281, 621 | 253. | + |
| 791 | BP Canada Bh BCot | 230 | 397 | 2934 | +1 | 5904 12554 | Denison & 1 | \$135 \$124 | 1312 | 1317 | +14 | 2920 9351 | Mein HY I Macmilan | 313° ₈ \$25 | 133. 243. | 1375 243 | + 16 | 87631 39291 | Seagram Sears Can | \$ 1118 | 1115 | 841 ₀ | ŧ |
| ÆΟ | Sk Mont | 132 | 5 h | 327 | + 19 | 1100 | Develop | 450 | 440 | 12 ¹ 2 | + 16 | 25040 | Magna A I | 520% 514 | 2014 | 203 ₈ | - 14 | 90426 | Shell Can Sherritt | \$22° | 212 77 | 213 | ~ |
| 1021 | Baton A 1 | 5 15 522 527 | 127 | 13 | -1 | 8220 470 | Dicknen A I Dicknen B | \$87g \$85g \$28 | 81 ₂ 81 ₂ 251 ₂ | 878 834 255 | + 14 | 6015 22000 | Mark Spnc | \$15 | 13°s 145 295 | 15 | - • | 3300 | Sigma | \$1018 | 10 | 1012 | ; |
| - | Batton 9 | \$2% | 223 | 225 | +30 | 30203 | Dortesco Dome Cda | 571, | 251 ₂ 71 ₄ | 254 | +16 | 9393 | Mc Intyre | 300 5421 | 295 421 ₈ | 295 42's | +16 | 7400 25136 | Southm Sper Aero 1 | 3 161g \$261g | 1614 2514 3377 | 181 _e 253 _e | * |
| 100 | Bluesky | 295 | 381 220 | 30 225 | +5 | 14187 | Dome Mine | \$ 157g | 15% | 73 ₈ 157 ₈ | + 1 | 700 | Mercanul Moriand E | 300 | 7 295 | 7 295 | +14 | 200 69241 | Stelco A | \$33°2 \$23°a | 237 | 233 | + |
| ## ## | Bonanza R Bow Valy | 370 514 | 1394 | 380 130, 325 | -5 +1 ₂ +25 | 11882 | O Texte | 287 6151a | 1476 | 285 151 221 | +6 | 14500 | Minri Res | 235 | 225 | 235 | + 5 | 15251 | Sulptre . | 160 | 231 ₃ | 180 | + |
| 5 | Braineles | \$17% | 315 | 1772 | + 25 | 277Q 33700 | Donotrue Donotrue | \$2.25 \$21 | 103. | 21 | + 11 | 523021 2000 | Mittel Corp Mottat | 57312 | 131- | 1312 | - 13 | 300 38715 | Tara Ex Tock B 1 | 51774 51974 | 187 | 17 191 ₈ | - |
| 93 | Brescan A | .138 | 37 | 357 | +1 | 300 | Du Pont A | \$1514 | 2777 15% 20% | 27 ² 2 | - 1- | 22660 1200 | Moison A 1 | \$ 190 ₄ 8 197 ₂ | 191 | 295 ₈ | +14 | 36139 | Terrs Mis Texaco Can | 340 | 325 | 335 281 | 1 |
| 75 0 | Branda M | \$73 | T- | The Boy | | 55593 | Dylex A Echo Bay | \$210 | 204 | 213 | + 119 | 319 | Moneco A I | 671, | 15 | 7- | | 2900 | Thom N A | 5239a 5239a 5237a | 223 | 23 | 4 |
| 98 71 | BC ForP BC Res | 81214 | 11½ 201 | 1274 | +12 | 685 11025 | Entero Equaty Svr | \$214 | 211 | 211 71 | +3 | 9000 | M Trusco Moore | 8 151 ₀ | 151 261 | 151g 271g | + 5 | 10386 1733 | Tor Sun | 525 | 257 | 251 | |
| 58 | BC Phone | \$1374 | 257 | 1374 | + % | 400 | FCA Inti | \$2314 \$2214 | 71 ₂ | 2314 | ~1, | 8062 E1861 | Murphy Nat Bk Can | \$22 \$24 | 213 | 22 24 | _ | 3110 2950 | Total Per Traders A 1 | \$28°2 | 215 | 22 | 1 |
| 58 | Bronswi. | 2174 | 1714 | 173 | - 1 | 38000 | Fed Ind A | \$1378 | 22% 13% | 13% | + 10 | 1890 | NY VO TICO NII Capa 1 | 52014 | 20 | 2014 | : 7 | 9904 2970 | TrCan R A | 216 \$117 | 200 | 202 | - |
| 6 | CCL 8 I | 618 ² 1 | 1514 | 293 | + 14 | 600 | Finning A | \$27 \$15% | 153 | 27 15-8 | + 1 | 3300 20600 | NHO LP A | 673 ₈ | 71 ₄ 164 ₈ | 774 | + 54 | 62401 | Troalta UA | \$27 | 26/ | 357 19 | |
| 60 | Gad Fry | 615 | 255 140 200 | 15 | + 2 | 1200 | Finance B 1 | \$153 ₆ \$109 ₄ | 15 | 153 ₀ | - 54 | | Norsen Norsen | \$16% \$15% | 1574 | 16't | + 39 | 51910 | TrCen PL Trilon A | \$20° | 19 213 | 221 | |
| 84 84 | Cambridg Camp RLk | 520°4 340 | 3114 | 201 ₂ | + 14 | 150 | FOR Fin | \$173 | 173 | 173 | ~2 | 217965 | Norce ord ! | 5740 | 140 | 145 | | 10505 | Trimac Trimity Res | 300 215 | 300 215 | 300 215 | : |
| 2 | Camp Res | 5241- | 330 | 335 | +19 | 934B 4450 | Gandali Gaz Metr | \$80°a \$100°a | 165 ₀ | 103 | - 1g | 550 260540 | NO Tel | \$ 1294 \$381; | 3717 | 1204 | 17 | 119 | Trizec A I | \$274 | 2714 | 2714 | |
| • | Compeau I | \$23% | 1174 | 110 | ~ 14 | 2100 4350 | Geec Comp Gends A | \$77g | 363 | 343 | - | 13600 47024 | Northgat Nya AliA 1 | 495 | 480 63 | 495 | + 15 | (225 17962 | Trizec 2 Ulater P | \$281 ₂ | 28% 156 | 160 | 1 |
| 15 | CDC 1 | 2104 | 101 | 102 | +14 | 56937 | General L | 335°a | 35 | 353 | 4 34 | 2233 | Nowsco W | 2 15% | 1514 | 157 | | | voting rights | Or 1 | setrici | ed vo | ıng |
| 43 | C Nor West | 131 2 | 21 | 211 ₈ | -14 | 3500 | Giani Yk Gibritar | \$2514 | 25 97, | 254 | + 14 | | Nu West Numbe | 3817 | 17 | 36 T | - % | rights | | | | | |
| | CS Pets 1 | 350 | 257 | 345 | +3 | 8967 21000 | Goldcorp 1 918fton A I | 8712 \$13 | 124 | 73 | + 1 | 2350 1221 | Oakwood Dakwd A I | 577 ₄ | 7 54 | 714 | | | | | | | _ |
| | CG Invest | 345 | 450 | 465 | +34 | 1700 | GL Forest | \$18 | 19 | 16 | + 1 | 12711 | Ocolot 2 I Omega Hyd | 25.34 | 514 | 57a | - 5 | ì | MON | VTR | EA | L | |
| 58 65 | Ct Bk Com | \$415 | 197 | 4114 202 | + 17 | 40960 | Gt Pacific Greyhod | \$36 5241 ₂ | 38 240 ₈ | 267 | +38 | 23098 | Oshawa A I | \$335 | 3374 | 67 331 | | 1 | Closing pr | ices J | anua | ту 2 | 1 |
| 182 | C Occiental | \$ 173. | 173 | 211- | +11 | 19275 | GUERPA I | 6113 ₄ | 200 | 113 ₄ | - 10 | 21440 91400 | PacW Art | \$ 1214 5125e | 12 1218 | 123 | -14 | 7857 | | | | 321 | |
| 20 | CTire A 1 | \$125. | 12 | 125 | +11 | 300 12216 | Hewkor | 3215 | 2111 | 2111 | _ | 3250 39550 | Pamour PanCan P | 595 ₆ | 27 | 85 ₀ | +5 | 2668 1058 | | \$ 157 ₁ 5157 ₄ | 15% | | |
| | CUH A 1 | 2163 | 183 | 183 | - | 4000 | Heyes O | 5115g | 2374 | 2372 | + 14 | 36168 | Pegasus | 51117 | 1175 | 113 | - 5 | 3438 | CB Cak | \$2314 5131 ₈ | 23 k | 231 | |
| 80 | Canton A | 3177 | 171, | 1712 | | 25250 7270 | H Baylin s | \$2312 | 231 | 2312 | + 10 | 1000 | Qjewi A 1 | \$163 ₄ 8113 ₆ | 161 | 163 | + 1 | 5868 | ConBatt | \$203 | 1911 | 201 | |
| 00 | Cara A 1 | \$ 181 ₈ | 1814 | 150. | | 64730 | Husky Oll | \$91 ₂ | 914 | 2634 | | 93460 | Pune Point | \$177 | 2514 | 171 253 | + 15 | 2362 5732 | 5 DomTxtA 2 Gaz Metro | \$ 15 v \$ 10 v | 104 | 15 | |
| 0 | Garl OK . | \$ 130g | 1278 | 133 | - 2 | 100890 | tmp Oil A | \$474 | 463 | 4714 | + 34 | 36210 | Placer 0 Poct Per | \$257 | Bia | 94 | + 7 | | 34 NatBh Cdu | 524 | 235 213 | 24 | |
| 200 96 | Carolin Calanese | 245 3124 | 325 | 225 127 | + 2 | 96784 | inco Indel | \$20 6 183 | 185 | 1874 | +1 | 32300 | Procemb | \$22 465 | 466 | 22 465 | 4 12 | 4701 | 7 Provido | 5164 | 15" | 161 | |
| Ö | Centry A | \$7 | 250 | 7 | + 4 | 4400 | Inland Gas | 211 | 107 | 10% | - 13 | 32562 | Provigo Due Stung | \$161 | 18 | 16 | + 35 | 200 5818 | Rolls ndA 4 Royal Bank | 51912 5311 ₂ | 314 | 19 513 | |
| 575 110 | Contri 7r Chieftan | 514 5121 | 1374 | 13% | - 4 | 2900 5100 | Inter City | \$16 \$16 | 153 | 153, | 214 | 500 | Que Tel | 8414 | 4134 | 4134 | • | 300 3950 | Ray7estor | \$34 | 227 | 22.1 | |
| 5 15 138 | Cominco | 8131 | 124 | 13 | 12 | 30100 | intor Pipe | 5624 | 4.4 | 600 | + 15 | 79325 6600 | Ranger Rayrock 1 | 415 \$8% | 480 | 870 | + 5 |) | Total Sales | | | | |

| Stack Sales High Later Lant Dang | Stock Sales High Low Last Ching (Hoda) | Stock Sales High Low Last Chap, (Hads) | Stock Sales High Low Lact Chang (Hinds) |
|---|---|--|--|
| Continued from Page 31 PNCs 1.32 525 36's 35's 56's 15's 15's 15's 15's 15's 15's 15's 15 | Rhodes 32 201 181 185 187 18 187 18 187 18 187 18 18 | Speciel 41 20 181, 181, 181, 500 500 500 500 500 500 500 500 500 50 | LIS And 8 3 15-16 3 13-18 3 15-16 - 1- LIS Bep 1 259 32 313, 32 + 12 US Cap 8 414 414 413 415 US Depn 1 37- 37- 37- 38- 15 US Shr 40 861 199 169 169 14 US Trs 120 817 42 414 419 49- 14 US Trs 120 817 42 414 419 49- 14 US Trs 120 817 42 414 419- 14 US Trs 120 817 42 415 49- 14 US Trs 130 48- 18- 18- 18- 18- 18- 18- 18- 18- 18- 1 |
| PSYS .15c 1461 05a 58a 58a 4 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 | Septime | Sunded | Verifiel 1.32 757 41% 40% 41% 4 % Verifiel 40% 43% 45% 26 - 1 % Verifiel 40% 43% 26% 2 |
| Prof.G | Scriect 112 6 77, 6 5 Seclical 93 4 78, 78, 6 Seclical 93 4 78, 78, 6 Seclical 93 4 78, 78, 6 Seclical 93 4 78, 78, 78, 78, 78, 78, 78, 78, 78, 78, | TBC 29 12% 12 12% 12% 17 16 25 260 260 25% 260 4 18 17 16 262 260 25% 27 260 4 18 17 16 260 260 25% 27 260 4 18 17 16 260 260 260 260 260 260 260 4 18 18 18 18 18 18 18 18 18 18 18 18 18 | WalbOs 32 36 16 77% 12 12 12 12 13 16 17% 18 17% 18 17% 18 17% 18 17% 18 17% 18 18 17% 18 18 18 18 18 18 18 1 |
| RAX .01e 108 74 772 772 RPMs .52 350 18% 16% 16% 16% 18% RedSys 220 16% 14% 14% 14% 14% 14% 14% 14% 14% 14% 14 | Shortery 16 782 25 269 25 14 Shortery 16 782 25 269 25 14 Shortery 296 296 29 1279 14 Shicton 296 296 297 118 1372 19 Shicton 61 772 771 774 774 Shicton 295 2714 2712 2714 14 Shicton 295 2714 2712 2714 14 Shicton 295 2714 2712 2714 174 Shicton 295 2714 2712 2714 Shicton 295 295 295 295 Shicton 295 295 295 Shicton 295 295 295 Shicton 295 295 | Throshs .76 235 28% 27% 28 + 1, 7horbs 108 49 5 6 89, + 1, 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | Wilson 1.65 308 51 50 50 50 1 1 1 1 1 1 1 1 1 |

"What's special about these Danish companies?"

ABN Bank Copenhagen Branch, Assurander-Societetet, Barclays Finans A/S, Berlingske Tidende, Bilkuben, Boliden, Buch+Deichmann, Danish Steel Works Ltd., Danish Telecom International A/S, Danish Turnkey Dairies Ltd., Dannebrog Shipyard Ltd., A/S De Daniske Sukkerfabrilder, Domi A/S, Duracel-Daimon ApS, East Asiatic Co. Ltd. (A/S Det Østasiatiske Kompagni), A/S Elizabeth Arden, Ess-Food, F.L. Smidth & Co. A/S, Forlaget Management A/S, Frisko Sol Is A/S, Ginge Brand & Electronik A/S, Gränges Danmark A/S, Grundtos International A/S, Haldor Topsite A/S, Helierup Bank A/S, Henriques Bank A/K, Kreditforeningen Danmark A/S, Kommunedata, Midtbenk, A/S Niro Atomizer, Norsk Hydro Danmark a.s, Nykredit, Price Waterhouse, Privatbanken A/S, Revisionsfirmaet C. Jespersen, Skandinavisk Tobakskompagni, Statsanstalten for Livsforsätring, The Jutland Technological Institute, Aktieselskabet Varde Bank.

They are all regular readers of the FINANCIAL TIMES • European Edition

For further information about subscription rates in Scandinavia, please contact Marianne Bang Nielsen in Copenhagen:

01-13 44 41

Arhibeurgi.30

Anhibeurgi.30

Anhibeurgi.30

Anhibeurgi.30

Antitioni.04

Anchor .28

1.9 13 40 42 11

Antitioni.04

Anchor .28

1.9 13 40 42 11

Antitioni.04

Apachor .28

1.9 18 3 16 3

1.44

Apachor .28

1.9 18 3 16 3

1.44

Apachor .28

1.9 18 3 16 3

Antitioni.04

Apachor .28 1.7 18 500 10%

Apachor .28 1.7 12 500

Arrico .28 1.8 17 705 276

Arrico .38 1.8 17 705 276

Arrico .38 1.8 11 302 324

Arrico .38 1.8 30 20 324 16

Arrico .38 1.8 30 155

Arrico .38 1.8 30 155

Arrico .39 1.8 11 302 327

Arrico .30 1.8 11 302 327

Arrico .30 1.8 11 302 327

Arrico .30 1.8 10 30 155

Arrico .30 1.8 17 12 309

Arrico .30 1.3 187 1674

Arrico .30 1.3 187 177 20 1874

Arrico .30 1.3 187 1775

Arrico .30 1.3 1875

Arrico .30 1.3 1875

40.00 16.40 16.50 16.70 17.70 17.50 17.70 17.50 18.20 18.50

SBRITSS PROPERTY STATES SANGGER SESSION SESSIO

170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | Hards a 58 21 15 647 709
Hards 4 65 33 27 116 23
Hards 4 0 28 25 3 18/4
Hards 1 1.5 17 182 68/4
Hards 55 1.5 21 279 37'4
Hards 55 1.5 21 279 37'4
Hards 55 1.5 21 279 37'4
Hards 56 3.3 13 340 22
Harms 562.40 12 20 27'6
Hards 6 30 13 340 20
Hards 6 30 13 340 20
Hards 7 30 11 325 35'6
Hards 7 30 11 125 35'7
Hards 1.80 1.71 12 125'4
Hards 1.80 1.71 12 127'2
Hards 1.80 1.71 14 112 27'7
Hards 2.80 1.80 105 15'7
Hards 1.80 1.71 14 112 27'7
Hards 2.80 1.80 15'7
Hards 1.80 1.71 14 112 27'7
Hards 2.80 1.80 15'7
Hards 2.80 17'7
Hard inight sing the source of the APPES TAKE ALKES KAPETER LEGISTES AND PRESENTATION OF THE SECTION Name of the control o PONTE FOR THE SERVICE STATE OF THE SERVICE STATE STATE STATE STATE STATE 129 28 1114 22 54 100 127 148 MACONEA
MCA 8 .00
MCOOP 1.40
MCOOP 1.40
MCOOP 5.50
MDU 2.72
MGMC44
MGMU20a
MGM

COMPOSITE CLOSING PRICES

Sec. Dis. Visitati 20 Sec. 20

是一个,我们的人,我们的人,我们的人,我们的人的人,我们的人,我们的人们的人,我们们的人,我们们的人们的人,我们们的人们的人,我们们们的人们的人们的人,我们们

AMEX COMPOSITE CLOSING PRI

5-16 5-16 222₈ 277₆ D 51 17 80 27 10 117 28 157 97 45 10 39 77 111, 151, 354, Actions
AdPausi 18
Aerone
AsiPhus 44
AirCal ArCalpi 1.20
Alshaini 20
Amerot 26
DWG
Demoor
DenaPd
Deired
DeviCp
Digeson
Dilieds
Diodes
DomeP
Driller
Ducorn 15 55 CT 1 2 3 2 14 312 1552 1-16 7452 114 4214 378 2 1 174 3214 E 13 15 16 17 17 18 15 16 11 37 15 11 37 1457 4 51 1 25 274 14 1 75 78 1 10 284 23 1856 51 23 221 534 74 97 8 18 10 4 27 4 28 4 865 44 27 EAC 40
ENC Legic 1
Estra 1
Est LaBerg
Laser
Lessur T
Loritor
Lumex Of
LynchC 20

MCO Hd
MCO Rs
MS1 Dt
MS2 Dt
MS3 Dt
MS3 Dt
Ms6 1.11
Menra .81
Merish .12
Menrish .13
Merish .14
Meris .81
Merish .15
Merish .16
Merish .17
Meris .81
Merish .16
Nichola .24
Nichola .24
Nichola .25
Notec .125e
N 171 171 171 171 137 All state of the control of the cont 23¹2 5 29¹8 25¹4 25¹2 4 11-16 7 -- 510 -- 16 3350 -- 2570 +- 2570 +- 2570 +-.12 21 27 1.18 15 .56 9 .20 12 .24 26 13 24 13, 14, 14, 6 27891 9 21 30 e 13 108 0 11 214 8 46 20 62 15 8 42 43 26 1919 2619 481 419 619 419 6 1677 479 472 1972 1973 1974 1974 1974 1974 1974 Hantrds Hesters HilthCh Helinick HershO HoftyCh HrneGo Hormis Hormis Hormis HoudT Husleyg 21 201/2 51/2 333/4 7-19 26 11/2 31/2 31/2 31/2 31/2 31/2 340 44 395 514 **OVER-THE-COUNTER** Nasdaq national market, closing prices, January 24

ADC 1
AEL
AFG
ASK
AsroRi
Acadin
Academ
Academ
Academ
Academ
Academ
Adopt
Adopt
Alesan
Academ
Alesan
Christian Christ ATTO THE PROPERTY SERVICE STATE OF THE PROPERTY OF THE PROPERT 50 50 1 50 55 40 1,00 | WeshMall.08 | 42 8 | 237 | 259 | 244 | 257 | -14 | WeshMall.08 | 42 8 | 227 | 259 | 254 | 257 | 27 | -14 | WeshMall.08 | 53 9 9 | 277 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | | No. 12 |

Fridge Ferothi Ferothi Ferothi Ferothi Fibrona Filters Frommet Published Constitution of Constitution

LOBrok
LSI Log
LTX
LaPakes
LAZ By
LadFrs
Landar
Lanada
Lan Marchis Marchi .40 1.24 .44 .45

72 2 11-16
78 10%
78 10%
447- 45% + 45%
447- 45% + 57/- 37/- 21%
21% 21% 21% + 21%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10 10%
10

Continued on Page 29

| Symbox | 1.20 | 2.6 | 19 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 455 | 4 40% 904 25% 15 141; 54; 1918 27 20% 19

Only in the Financial Times

UROPEAN TRADED OPTIONS uesday Wednesday Thursday Friday

CURRENCIES, MONEY and CAPITAL MARKETS

CHICAGO

CERT. DEPOSIT (HAM) \$1m points of 180%

THREE-MONTH EUROBOLLAR (1884)

FOREIGN EXCHANGES

Handle with care

BY COLIN MELLHAM

Last week will not be remem- £ IN NEW YORK bered as a particularly happy one for those who walk the corridors of power in the UK. The Government's problems over the Westland affair were a back-ground irritation as far as ster-ling and the financial markets were concerned, but if the pound's plight on the foreign exchanges is not seen to bave been handled well by the autho-rities, and turns into a crisis similar to this time last year, then the two events together could turn out to be very

This nagging doubt shout the general standard of political and economic management in Britain is at the heart of the Bank of England's problems over sterling and interest rates.

The timing of any move by the authorities on interest rates is seen as crucial. London money market rates indicated bank base market rates indicated bank case rates of at least 13; per cent last week, but the Bank of England declined to endorse the rise of 1 per cent for various reasons, but probably mainly because to move too early would be just as disastrous as to move too late.

At this time last year there were accusations that the rise in interest rates was left too late, improved against sterling, leav-

| CURRENCY MOVEMENTS | | | | | | |
|---|---|--|--|--|--|--|
| Jan. 94 | Benk of England Index | Morgan Guaranty Change 2 | | | | |
| Starling U.S. dollar Canacian dollar Austrian schilling Belgian franc Benish Kroner Deutsche mark Swiss franc Guilder French franc Lire Yen | 74.3 124.7 70.9 123.1 05.3 63.8 139.3 101.7 70.4 46.6 180.3 | -17.1 +14.8 -12.5 +5.6 -8.8 -2.3 +16.0 +10.9 +7.9 -11.0 -18.7 +32.5 | | | | |

OTHER CURRENCIES

Jan. 24 Prev. close

POUND SPOT-FORWARD AGAINST POUND

| Jan 24 | mpreed | Close | One month | % p.s. | Three | % 0-4- |
|----------|------------------------------------|----------------|------------------------|-----------|---------------|-----------|
| US | 1.3870-1.3975 | 1,3935-1,3946 | 0.63-0.59¢ pm | 5.26 | 1.82-1.71 per | 5.15 |
| Canada | 1.9699-1.9720 | 1.9880-1.9720 | 0.43-0.36c pm | 2.41 | 1.44-1.25 pm | 2.73 |
| Nethind | 3.794-3.814 | 3,80-3,81 | 23-23c pm | 7.29 | 7-6% pm | 7.22 |
| Belgium | 68.78-69,24 | 69.10-69-20 | 19-12c pm | 2.69 | 50-37 pm | 2.62 |
| Denmeri | 12.39-12.513 | 12.45-12.46 | 5-40re pun | | 154-14 pm | 4.70 |
| Ireland | 1.1130-1.1225 | 1,1155-1.1166 | 0.08-0.24p dis | -1,72 | 0.17-0.05dle | ~1.52 |
| W. Ger | 3.364-3.374 | 3,363-3.373 | 21, 21,pf pm | 2.46 | 72-64 per | 8.30 |
| Portugal | | 2161-21812 | 116-400c dis | | | -11.51 |
| Spain | 2171-213 | 2114-2124 | 45-5c pm | 1.42 | 75pm-40dis | -0.33 |
| Italy | 22884_2311 | 2303-2304 | 8-10lire dia | -4.69 | 24-28 dis | -4.51 |
| Norway | 10.444-10.524 | 10.50-10.51- | Sore per-par | 0.36 | 15-14 die | 0.67 |
| France | 10.31-10.39% | 10.36-10.37 | 3-21 ₄ c pm | | 4-21 pm | 1.18 |
| Sweden | 10.52-10.604 | 10.564-10.574 | 1-yore pen | | 23-17 pm | 0.85 |
| Ja pen | 2723-2763 | 2724-2734 | 1.50-1.30y pm | | 4.40.4.10 pm | 6.72 |
| Austrie | 23.62-23.86 | 23-62-23-69 | 1314-12grd pm | | 38" 34" pm | 6,15 |
| SWITZ | 2.831-2.87 | 2.844-2.854 | 21-2c pm | | 64-6 pm | 0.59 |
| | Belgian rate la Six-month forwa | for converable | france, Financ | el frenc | 70.10-70.20 | • |

FORWARD RATES AGAINST STERLING

| FMC FUDODE | LAL CLIDI | JENCY | 1/2/17 | DATE | 2 |
|--|---------------------------------------|---|---|---|---|
| Dollar D-Mark Franch Franch Franch Franch Franch Franch Japanese Yen | 1,3940 3,3725 10,3650 2,8625 | 1,3884 3,3487 10,3462 2,8319 271,86 | 1,3770 3,3024 10,3567 2,7908 269,00 | 1,3618 3,2398 10,3606 2,7340 264,75 | 1,3393 3,1333 10,2739 2,6363 268,00 |
| | | | | | |

IS EUROPEAN CURRENCY UNIT RATES

| | Equ contral rates | currency amounts against Ecu January 24 | % change from central rate | % change adjusted for divergence | Divergence |
|---------------|-------------------------|--|-------------------------------------|--|------------|
| Belgian Franc | 44.8320 | 44.3667 | 1.04 | +1.17 | ±1.5425 |
| Danish Krone | B.12857 | 7.98314 | -1.79 | +0.42 | ±1.6421 |
| Gormon D-mark | 2.23840 | 2.16709 | 3.19 | -0.36 | ±1.1455 |
| French Franc | 0.86402 | 6.65791 | -3.00 | -0.79 | ±1.3664 |
| Dutch Guilder | 2 52208 | 2.44323 | -3.13 | -0.92 | +1.5162 |
| Irish Punt | 0.72:37B | 0.714953 | 1.33 | 40.6B | +1.6673 |
| Itolian Lira | 1620.00 | 1476.96 | -2.87 | -1.35 | ±4.0856 |
| Change want C | s ere for E | nu, therefore | positive the | nge denotes Inaccial Time | : |

ing the pound at record lows against the German currency. It is therefore sterling's general weakness, rather than its position in terms of tha 2 Spot | 81,2940-1,5950(\$1,3010-3920) 1 months | 0.50-0.57pm | 0.63-0.81pm | 1.72-1,63pm | 1.85-1,63pm | 1.85-1,63pm | 1.85-1,83pm | 1.85-1,83 dellar, that is causing concern.

The pound's exchange rate
index touched a 10-month low

and that if base rates had been raised from below 10 per cent before January 11 the pound would not have fallen to almost parity with the dollar, and it would not have been raised from below 10 per cent before January 11 the pound parity with the dollar, and it would not have been raised from the parity with the dollar, and it would not have been raised from the parity with the dollar, and it would not have been raised from the parity with the dollar, and it would not have been raised from the parity with the dollar, and it would not have been raised from the process of the fall in the price of oil on the world market.

To some extent sterling was helped by the comment from the parity with the dollar, and it would not have been raised from the price of oil on the world market.

To some extent sterling was helped by the comment from the parity with the dollar, and it would not have been raised from the price of oil on the world market.

To some extent sterling was helped by the comment from the parity with the dollar, and it would not have fallen to almost friday that the price of oil on the world market.

To some extent sterling was helped by the comment from the parity with the dollar, and it would not have been raised from the price of oil on the world market.

To some extent sterling was helped by the comment from the parity with the dollar, and it would not have been raised from the price of oil on the world market.

To some extent sterling was helped by the comment from the price of oil on the world market. parity with the dollar, and it prepar would not have been necessary in the to have base rates at 14 per cent Y190.

to have base rates at 14 per cent by January 28.

But the situation is rather different this time. In early January last year US bank primo rates of 103 per cent, about I percentage point above UK lasse rates, and the dollar was also at a much higher value on the exchanges. Prime rates are now 33 per cent, or 3 points below base rates, while the dollar has fallen sharply over the last four months, and sterling is not under any immediate presult of the same period Frankfurt the same period Frankfurt scheduled for release the following money market rates have eased by about 1 per cent, but the D-mark has risen strongly long these two events may give against the dollar, and bas also improved against sterling, leavneeded for higher rates.

CURRENCY RATES

| Jan. 34 | Bank rate % | European Currency Unit |
|----------|--------------------------------|--|
| Sterling | 7033 407 45 5 15 8 24 8 | 44,3667 7,98314 2,16709 2,44323 6,65791 1476,95 175,891 6,73579 136,257 6,76726 |

High 62.04 91.91 91.47 91.44 91.20 90.85 90.74 90.54 Close 92.01 91.86 91.41 91.16 90.92 90.70 91,89 91,72 91,51 91,51 91,02 91,02 90,81 90,56 90,38

DOLLAR SPOT-FORWARD AGAINST DOLLAR

| Jan 24 | Day's spread | Close | One mouth | % 0.s. | Three months | % p.s. |
|----------|-----------------|---------------|-----------------|------------------|-----------------|-----------|
| UKt | 1.3870-1-3975 | 1.3935-1.3945 | 0.63-4.69c pm | 5.25 | 1.52-1.71 per | 5.1 |
| relandt | 1,2460-1,2525 | 1,2500.1,2515 | 0.75-0.60g pm | | 2.25-1.75 pm | |
| Canada | 1.4075-1.4135 | 1,4125-1,4126 | 0.27-0.30c die | -2.43 | 0.73-0.81dis | -2.14 |
| dethind | 2,7250.2.7445 | 2,7285-2,7295 | 0.57-0.54c pm | 2.44 | 1.51-1.54 per | 25 |
| Balsium | 49.49-49.79 | 43.55-49.65 | 7-11c dls | -2.12 | 26-33 dis | -23 |
| Denmark | 2.891-2.98 | 8.934-8.934 | per-sors dis | -0.42 | ३-३ सीह | -0.27 |
| W. Ger | 2,4130-2,4375 | 2.4180-2.4190 | 0.77-0.72pt pm | 3.50 | 2.11-2.06 pm | 3.4 |
| Portugel | 157-158 | 1871-158 | 200-400c dis | -22.00 | 450-950-dls | -17.7 |
| Spein | 162.10-192.73 | 152,30-152,50 | 35.65c dia | -3.51 | 150,200 die | -4.5 |
| taly | 1647-16612 | 1652-1853 | 121-131/m die | -6.62 | 38"-40" dis | -1.5 |
| Vermay | 7.61-7.50 | 7.514-7.544 | 3-37 ore dis | -4.97 | 9-9% dls | -4.5 |
| France | 7,412-7,48 | 7.454-7.454 | 1,30-1,60c dis | | 8.25-8.00dia | ~4.5 |
| Sweden | 7.56 -7.61 | 7.584-7.584 | 3-33-one dis | -4.94 | STAL die | -4.5 |
| lapan | 195.79.199.60 | 195,95-196.06 | 0.23-0.20y pm | | 0.68-0.63 pm | 1.3 |
| Austria | 16.985-17.114 | | Z'z 1 kgro pro | | C-4 pm | 1.2 |
| Switz | 2.0410-2.0610 | 2.0450-2.0470 | 0.58.0.63c pm | | 1.96-1.51 pm | |
| disco | and Ireland a | the UO dolla | US currency. It | forward indiv | gramiums e | nd y. |

EURO-CURRENCY INTEREST RATES

| Jan. 24 | Short | 7 Days | Month | Months | Morntha . | Year |
|---|--|--|--|---|---|--|
| Sterling | 10 ¹ q·11 7 ¹ q·7 ¹ q·3 ¹ q·10 ¹ g·4 ¹ q·10 ¹ q·11 ¹ q·11 ¹ q·4 ¹ | 116-1114 B-B16 10-1014 51-514 11-1114 412-459 618-514 1734-1834 | 1874-13 6 834 1034-1034 514-613 473-474 412-454 1034-1034 1774-1814 | 16 4-13 4 10 4-10 4 5 4-5 4 4 4-4 4 12 4-12 4 18-184 | 134-134 34-84 104-104 54-64 41-44 12-134 17-174 | 12/1-13/4 5/4-5/4 10/4-10/4 5/4-5/9 4/4-7/4 4/4-7/4 11/4-11/9 15/4-16/2 |
| B.Fr.(Fin) Br.Fr (Gon) Yen D. Krono Asian 8 (Sng) | 874-919 9-914 714-714 884-914 8-819 | 51g-91q 10-104g 7-71g 81g-8 8-81g | 954-574 1034-1074 613-614 874-634 814-81 | 969-978 1014-11 614-614 9-618 8-4-8-4 | 914 934 1014-11 644-614 9-514 0-14-8-15 | 64-91g 63g-101g 58g-61g 6-91g 61g-84g |

MONEY MARKETS

Embarrassing rate rise avoided

Dealers found it difficult to buy or sell paper on the London money market last week, because of the high level of rumour and speculation. Volume continued at a good level in the three-month sterling contract on Liffe, but the cash market suffered from the general air of uncertainty about interest rates. Shortterm rates rose on Short-term rates rates.

Monday on disappointment at the inconclusive outcome to the Group of Five meeting in London at the weekend. Falling oil prices, the weakness of sterling, and the growing political problems of the Government put further pressures on rates, and within a sbort time the money

UK clearing banks leding rate 12} per since January 9 base cent embarrassing for the authorities however, since almost £25n had just been lent to the market at 12½ per cent, and existing official intervention rates. The final tranche of £450m, through a gilt repurchase agreement, was only paid to the banks on Wednesday, while Mrs Thatcher was becoming heavily embroiled in the Westland tangle on Thursday, and would hardly have welcomed another rise in base rates.

another rise in base rates.
On Friday morning the pressure for higher rates eased slightly, but the market was not convinced that the Bank of England could continue to hold market was expecting a rise of at least 1 per cent to 13t per cent in base rates. This would have been rather

WEEKLY CHANGE IN WORLD INTEREST RATES

| | Jan. 24 | change | APR VONC | Jan. 24 | change |
|---|--|--------------------|--|----------------------------------|-----------------------------------|
| LONDON Sees rates 7 day interbank Smith Interbank Tressury Bill Tender | 124 11 164 | -13g +3g | Federal funds 6 Nth. Tressury Sitte 5 Mth. Tressury Bills | 7.44 | Unch'd Unch' -0.10 -0.14 |
| Band 1 Bills Band 6 Bills Band 6 Bills Band 4 Bills 5 Mth. Treasury Bills 0 Mth. Bank Bills 0 Mth. Bank Bills | 123g 104 104 154 15 127g 121 | Unch'd Unch'd | FRANKFURT Lombard One Mith, Interbank Three month | 7.90 5.5 4.575 4.635 | Unch'd |
| TOKYO One month Bills Three month Bills | 6.56875 7.09375 | -0.196 | PARIS Intervention Rate One With. Interbank Three month | 874 878 0 | Unch'd Unch'd |
| BRUSSELS One month Three month | 874 815 | <u>_</u> 1 | MILAN One month Three month | 16/ <u>}</u> 15/ } | +5g +1g |
| AMSTERDAM One month Three month | 27 62 | Unch' d Unch' d | DUBLIN One month Three month | 103 ₄ | Unch 'd Unch 'd |

London—band 1 bills meture in up to 14 days, bend 2 bills 15 to 33 days, bend 2 bills 34 to 63 days and band 4 bills 64 to 81 days. Rates quoted represent Bank of England buying or selling rates with the enoney market. In other cantres rates are generally deposit rates in the domestic money market and their respective changes during the week.

Base intervention rates unchanged. Bank of England bought some bills at selected higher rates during the week.

MONEY RATES

| Jan. 24 | Ov'r-cla't | One Month | Two | Three | Six Months | Lomban |
|--|--|--|-------|---|---------------|--------|
| Frankfurt Paris Zurion Amsterdam Tokyo Milan Brussit | 79-119 611 511 611 511 6 84378 1539 46 7,15 | 8 4 8 2 4 4 45 5 4 5 4 8,96875 16-104 6 4 9 4 | 878-9 | 4.554.70 812.972 414.436 514.644 7.09675 1519.1519 814.614 1179.1219 | 9-910 | 84 |

the line. At the weekly Treasury bill tender the discount houses bid for bills at market rates, which were well above official intervention rates, and the Bank of England refused to sell any bills to the market, for the first time since March 1968, when the gold standard of \$55 an ounce was about to collapse, heralding the era of free gold markets and eventually floating exchange rates.

NEW YORK

(4 pm)

BANK OF ENGLAND TREASURY BILL TENDER Jan. 17 Jan. 24 Jan. 17 Top Accept rate of du Average rate of di Bills on Office Total of 12,2135 £328m £100m 16,68% 55**9**,593 ₽100m . 12

FT LONDON INTERBANK FIXING

| Three months | U.S. dollar | <u> </u> | bld | 8 1/18 | offer 8 5/15 | |
|--|-------------|----------|------------------------|---|---------------------------------|------------------------------------|
| bid 61/16 | offer 8 | ulo . | | | | |
| he Oxing rates eans, rounded to xteenth, of the bur \$10m quoted | the names | d miss | Westrains Westrains | enos barildey. The ther Senk, Brank, | banka an Bank d Ingua Nat | National of Tokyo, Donale de |
| ONDON M | ONEY R | ATES | | | | |
| Jan. 24 | Over | 7 days | Month | Three Months | 80x Morriths | One Year |
| Dominate Comments | | -010 | 44.4 | | 471 454 | 203. 42. |

| Jan. 24 | Over Fight | 7 days | Month | Three Months | Stx Morriths | One Year |
|---|------------------|----------|----------------------|-----------------------|-----------------------|-------------|
| nterbank | 5-114 | 104-10 | 184-134 124-13 | | 13-1-15es 127-10iz | |
| ocal AuthorityDepos | | 12.121 | 134 | 164 | 15% | 127 |
| Company Depos | 7-104 104-114 | 1154-104 | 184 | 124 | = | = |
| Finance Hse Depos Freesury Bills (Buy) Bank Bills (Buy) | = | = | 18/1 18/1 19/1 | 18/4 10 123-127 | 10% | 13% |
| Ine Trade Bille(Buy) | Ξ | Ξ | 131 8,00-6,06 | 164 | 164 | E 1689 |
| OR Linked Depos | = | = | B7g-elg 0-elg | 84.84 64.04 | 84.84 94.04 | 84-84g |
| | | | | | | |

Tressury Bills (sell): one-month 12½ per cent: three months 12½ per cent. Bank Bills (sell): one-month 12½ per cent; three months 12½ per cent. Tressury Bills: Average tender rate of discount —— per cent. ECGD Fixed Finance Bacheme IV reference date December 4 to January 7 (Indivalve): 11.838 per cent. Local suttority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 12 per cent from Jenuary 1 1986. Bank Deposit Rates for sums at seven days' notice 6½-6½ per cent. Certificates of Tax Deposits (Series 8). Deposits 100,000 and over held under one months 12½ per cent; one-three months 12½ per cent; three-six months 12½ per cent atxiniae months 12½ per cent. Under 190,000 11½ per cent from Jenuary 14. Deposits held under Series 5 11½ per cent. Deposits withdrawn for cesh 7½ per cent.

CURRENCY FUTURES POUND-S (FOREIGN EXCHANGE) 1.87 1.39 0.54 0.55 0.10 0.10 0.00 0.00 0.01 0.05 0.22 0.55 1.01 90.00 90.50 91.50 91.50 92.50 92.50 1-mm. 3-mm. 6-mm. 12-mm. 1,3879 1,3761 1,3591 1,3330 1.25 0.50 0.58 0.23 0.18 0.07 Close High Low Prev 1.3836 1.3880 1.3770 1.3750 1.3570 1.3740 1.3890 "5585 1.3530 1.3400 1.3496 1.345 1.3420 1.3500 1.3495 1.349 LIFFE-STERLING £25,000 \$ per £ Close High Low Pri March 1,3836 1,3870 1,3806 1,357 June 1,3833 — 1,357 Sept 1,3533 — 1,338 Estimated volume 77 (515) Previous day's open int 2,063 (2,030) LIFFE E/S OPTIONS £25,000 (cents per £1) Strike price 1.20 1.25 1.30 1.45 1.45 1.50 Cells—Lert
Feb Mar April Jums Sept
— 19.10 — 16,70 —
— 14,70 — 14,70 —
— 14,70 — 14,70 —
— 14,70 — 14,70 —
— 14,70 — 14,70 —
— 14,70 — 14,70 —
— 14,70 — 14,70 —
— 15,70 — 15,70 —
— 15,70 — 15,70 —
— 15,70 — 15,70 —
— 15,70 — 15,70 —
— 15,70 — 15,70 —
— 15,70 — 15,70 —
— 15,70 — 15,70 —
— 15,70 — 15,70 —
— 15,70 — 15,70 —
— 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 — 15,70 —
— 15,70 — 15,70 LIFFE-DEUTSCHE MARKS Close High Low Prev Starch 0.4144 0.4146 0.4135 0.4102 June 0.4172 — 0.4135 Estimated volume 35 (18) Previous day's open int 193 (190) LONDON SE E/S OPTIONS £12.500 (cents per £1) Strike price Feb Mar April June Sept 1.20 — 19.50 — 19.50 — 19.50 — 19.50 — 19.50 — 1.25 — 1.50 — 1. Futur-Last
Feb Nor7 April June Sept
-- 0.36 -- 0.50 --- 0.40 -- 1,10 2.25
-- 0.80 -- 2.25 2.70
0.70 1.80 2.50 4.00 5.70
2.50 4.20 5.20 7.00 £.70
11.80 12.40 12.70 13.30 15.80 US TREASURY SONDS (CET)

High Low 83-23 83-06 82-18 82-04 81-16 81-04 90-19 90-10 73-23 73-15 73-02 73-21 77-34 77-17 75-28 78-13 77-25 77-10 78-29 77-24 77-08 76-28 PHILADELPHIA SE E/S OFTIONS C12,500 (corts per E1) US TREASURY CILLS (INM) Close 83.15 88.05 92.85 92.63 92.40 82.20 82.20 91.83 \$1.12 \$2.99 \$2.80 \$2.58 \$2.35 \$2.16 \$1.95 \$1.75

LONDON FY-SE 100 INDEX £25 per full Index paint 20.YEAR 12% MOTIONAL GILT E50,000 32nds of 100% Close High Low Prev March 140.00 140.70 139.25 139.20 June 142.10 -- 140.70 High Low 108-10 107-22 108-20 108-20 June 142.10 ---Estimated volume 257 (531) Sapt 108-22 — 108-03
Esomesed volume 8,857 (7,445)
Previous day's span int 7,102 (7,285)
Easis quota (clear cash price of 13%
Treasury 2006-08 less equivalent price of new triums contract) —8 to —3 Previous day's open int 2.140 (2.037) \$1m points of 100% Close High 82.00 82.00 91.88 91.50 Prev 91.97 91.59 91.36 91.10 90.85 90.62 90.41 91.76 91.53 91.29 91.04 91.86 91.87 81.84 91.83 Close High Low Pri March 94-36 96-37 94-22 94-0 June 95-01 94-3 Estimated volume 510 (712) Previous day's open int 1,293 (1,296) 91.56 91.34 90.92 90.89 THREE MONTH STERLING of votume 4.280 (6.480) Previous day's open int 20,603 (21,060) O points of 100 %

Close High Low Prev
38.54 36.33 26.50 36.45
87.26 87.45 87.27 87.10
87.30 36.03 87.82 87.72
88.36 86.30 36.18 87.72
88.36 86.40 18.30 26.12
88.36 88.45 88.25 86.22
tod volume 7,411 (5,919)
as day's open int 11,545 (11,067) US TREASURY BONDS 8% \$100,000 32nds of 100% Close High Low Previous S3-20 83-22 83-06 83-17 June 82-18 82-12 82-12 82-12 82-12 82-11 82-12 82-11

EXCHANGE CROSS RATES

| | | | | | | | | : | | |
|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| an 24 (| £ | 8 ; | DM | YEN | FFt, | a.Fr. | HM | Um | G. | # Fr. |
| 2 | 0,717 | 1,394 | 8.370 2.419 | | | | | | | 69,15 49,50 |
| YEM | 0.197 3,660 | 0.41X 5,103 | | 61,02 1000, | | | | | | 20.50 |
| F Fr. | 0.965 | 1,545 0,489 | | 263.6 56,78 | 10. 2,634 | 2,782 L | | | 1,001 0,691 | |
| H FL Lira | 0.454 | | 0,886 | 71,81 | 2,724 4,500 | 0.750 1,250 | 1,652 | 805.4 1000. | 0.518 0.555 | 18,17 |
| C.S. | 0.508 | 0.708 2,016 | 4.677 | 138.7 395,2 | 5,761 | 1,448 | 1,981 6,603 | 1160. 5331 | 2,849 | 15.10 100, |
| 'me per | 1,000: I | French I | r per 10 | t Lire # | er 1,000 | t Beig | Fr per | 100. | | |

THIS NOTICE DOES NOT CONSTITUTE AN OFFER FOR SALE AND THE STOCK DESCRIBED BELOW IS NOT AVAILABLE FOR PURCHASE DIRECT FROM THE BANK OF ENGLAND. OFFICIAL DEALINGS IN THE STOCK ON THE STOCK EXCHANGE ARE EXPECTED TO COMMENCE ON MONDAY, 27th JANUARY 1988. PARTICULARS OF AN ISSUE OF £1,000,000,000 10 per cent TREASURY STOCK 2003

SCHEDULE OF PAYMENTS: 25.00 per cent Amount said on issue

Amount payable on Monday, 14th April 1986 (58.50 per cent INTEREST PAYABLE HALF-YEARLY ON 8TH MARCH AND 8TH SEPTEMBER

This Stock is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961. Application has been made to the Council of The Stock Exchange for the Stock to be admitted to the Official List.

been made to the Council of The Stock Exchange for the Stock to be admitted to the Official List.

The whole of the Stock has been issued to the Bank of England on 24th January 1886 at a price of £93.50 per cent. The amount payable on 14th April 1986 will be £58.50 per cent.

The principal of and interest on the Stock will be a charge on the National Loans Fund, with recourse to the Consolidated Fund of the United Kingdom.

The Stock will be repaid at per 00 8th September 2008.

The Stock will be regaid at per 00 8th September 2008.

The Stock will be regaid at the Bank of England or at the Bank of Ireland, Belfast, and will be transferable, in multiples of one penny, by instrument in writing in accordance with the Stock Transfer Act 1983. Stock registered at the Bank of England beld for the account of members of the Central Gilts Office Service will also be transferable, in multiples of one penny, by exempt transfer in accordance with the Stock Transfers will be free of stamp duty.

Interest will be payable half-yearly on 8th March and 8th September. Income tax will be deducted from payments of more than 25 per annum. Interest warrants will be transmitted by post. The first interest payment will be made on 8th September 1986 at the rate of ££8679 per £100 of the Stock. Until payment in full bas been mads and a completed registration form submitted to the Bank of England, the Stock will be represented by letters of allotment.

Payment in full may be made at any time prior to 14th April 1986 but no discount will be allowed on such payment. Interest may be charged on a day-to-day basis on any overdue amount which may be accepted at a rate equal to the Loadon Inter-Bank Offered Rate for seven day deposits in sterling ("LIBOR") plus 1 per cent per annum. Such rate will be determined by the Bank of England by reference to market quotations, on the due date for the relevant payment, for England shall consider appropriate. Default in due payment of such Stock liable to cancelletion and eny amount previously paid liabl

of such Stock liable to cancellation and any amount previously paid liable to forfeiture.

Letters of allotment may be split into denominations of multiples of £100 on written request received by the Bank of England, New Issues, Watling Street, London EC4M 8AA on any date not later than 10th April 1986. Such requests must be signed and must be accompanied by the letters of allotment.

allotment.

Letters of allotment must be surrandered for registration, accompanied by a completed registration form, when the final instalment is paid, unless payment in full has been made before the due date, in which case they must be surrendered for registration not later than 14th April 1985.

Copies of this notice may be obtained at the Bank of England. New Issues, Watling Street, London ECAM BAA, or at any of the Branches of the Bank of England, or at the Glasgow Agency of the Bank of England, 25 SL Vincent Place, Glasgow G1 2EB; at the Bank of Ireland, Moyne Buildings, 1st Floor, 20 Callender Street, Belfast BT1 5BN; at Mutiens & Co., 15 Moorgate, London EC2R 6AN; or at any office of The Stock Exchange in the United Kingdom.

Government statement

Attention is drawn to the statement issued by Her Majesty's Treasury on 29th May 1985 which explained that, in the interest of the orderly conduct of fiscal policy, noticer Her Majesty's Government nor the Bank of England or thoir Majesty's Government nor the Bank of England of thoir respective servants or agents undertake to disclose tax changes decided on but not yet announced, even where they may specifically affect the terms on which, or the conditions under which, this Stock is issued or sold by or on behalf of the Government or the Bank; that he responsibility can therefore be accepted for any omission to make such disclosure; and that such omission shall neither render any transaction liable to be set saids not give rise to any claim for compensation. BANK OF ENGLAND LONDON

24th January 1986

This notice complies with the requirements of the Council of The Stock Exchange and does not constitute an offer of, or invitation to subscribe for or purchase, any securities.



U.S. \$350,000,000 **New Zealand**

Floating Rate Notes Due 2001

The following have agreed to subscribe, or procure subscribers, for the Notes:

Salomon Brothers International Limited

Credit Suisse First Boston Limited

Merrill Lynch International & Co.

Bank of Tokyo International Limited

Citicorp Investment Bank Limited

County Bank Limited

Banque Paribas Capital Markets Limited

Bank of New Zealand Banque Nationale de Paris

Bear, Stearns International Limited Commerzbank Aktiengesellschaft

Deutsche Bank Capital Markets Limited Full International Finance Limited

IBJ International Limited

Lloyds Merchant Bank Limited

Morgan Guaranty Ltd

Orion Royal Bank Limited

Sumitomo Finance International

Union Bank of Switzerland (Securities) Limited

EBC Amro Bank Limited Goldman Sachs International Corp.

> Kidder, Peabody International Limited Mitsubishi Finance International Limited

Nomura International Limited Morgan Stanley International

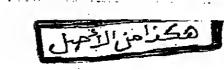
Shearson Lehman Brothers International, Inc. Swiss Bank Corporation International Limited S. G. Warburg & Co. Ltd.

Application has been made to the Council of The Stock Exchange for the Notes, issued at a price of 100 per cent., to be admitted to the Official List. Interest on the Notes, calculated as set out in the Extel Card dated January 24, 1986 is payable semi-annually in arrears. The

first payment is expected to be made on July 10, 1986. The Extel Card containing information with regard to the U.S. \$350,000,000 Floating Rate Notes due 2001 of New Zealand is available in the Extel Statistical Service and copies may be obtained during usual business hours up to and including January 29, 1986 from the Company Announcements Office of The Stock Exchange and up to and including February 10, 1986 from:

Scrimgeour Vickers & Co_ 20 Copthall Avenue, **London EC2R 7JS**

January 27, 1986



SECTION III

FINANCIAL TIMES SURVEY

Unlisted Securities Market

The pace of USM entry shows no signs of slackening and the diversity of business among those seeking a listing also bears witness to the strength the market has achieved

Rapid rise to maturity

By Lucy Kellaway

which provides smaller companies with a source of equity capital and the opportunity to trade in their shares, was crowded with speculative oil exploration stocks and young high-tech companies, not all of which were of tha highest investment quilty. But since the desirable of the highest investment and the market, appointments in the past year. Sapphire Petroleum, the unpopularity of which was chiefly due to investors' general averaging the companies, and companies, and companies, and companies are the companies of the highest companies.

and the capitalisation

. .

Carried Carried

الموسي ويستها

, 3°, 7°

MATURITY is the word most commonly heard in the City to describe the Unlisted Securities Market as it enters its sixth year.

In its early days the market, which provides smaller company to the past year:

Sampling Petrology the united to the past year:

Sampling Petrology the united to the past year:

which were of the ingress gramme fell behind schedule, investment quality. But since Meanwhile, the two most then the USM has grown up in popular issues of the year were all sorts of ways, the most Cannon Street Investments — a obvious being its size.

Cannon Street Investments — a casualty of the secondary bank During 1985 the number of ing crisis it returned to the companies quoted passed the market in July, with interests 300 mark for the first time, and in laboratory equipment, Christian the beginning of the property by the beginning of this year mas hampers and plastic flower the market consisted of more pots — and Bluehird Toys, the than 340 companies with a combined worth of \$3.5bn. At end popular with investors as its of 1984 the bead count was Big Yellow Teapot is with

The variety of the newcomers Three years ago most also speaks for the market's observers were predicting that maturity. The USM's old the pace of USM entrants would dependence on oil and high-tech



Companies Entering The USM

videos, restaurants, insurance and plastic plumbing. Some patterns are emerging from the mixed bag of newcomers - in recent months tha market has had a particularly

larga helping of food companies and an onslaught of peoples' businesses, creating two thriv-ing USM sub-sectors. The USM ceased to be a stags' paradise long ago, when immodest profits were almost guaranteed by buying any new issue. On the evidence of recent USM flotations, sponsors are getting better at pricing issues, while investors are becoming more careful in making their

Among the 1985 entrant crop,

assessments of newcomers.

The outcome that sponsors aim for — a modest premium of between 5 and 15 per cent -was managed by one-third of last year's new issues, while the sors' nightmare shares open at a discount to the issue price — came true for 12 per cent of the companies.

There is now little — if any extra value attached to a com-pany just hecause its shares are quoted on the USM. Average ratings have fallen to a level more or less on a par with those of the main market. Price earnings multiples on USM new issues of more than 17 have become something of a rarity, and multiples of over 20 almost

most fashionable corner of the trendy peoples' business industry, was floated successfully in July on a p/e ratio of 25.

Perhaps the most welcome fact of 1985 on the USM has the market to better use than before: raising more money to expand their businesses, and making greater use of their shares for acquisitions.

Of the £200m raised by USM entrants last year, only £90m went into the pockets of existing shareholders, a lower percentage than in previous years.

Meanwhile, USM companies had more rights issues than ever before, raising a record £118m against £67m in 1984. Just as encouraging has been

the pace of USM entrants would have slackened by now, because companies has gone, with less of those companies suitable and willing would have already secured their place on market now attracts a wider of dealings. A similar number already secured their place on market now attracts a wider of dealings. A similar number of dealings. A similar number command giddy multiples on pened—last year about 100 companies of building, wallpaper, a loss after paying his dealing company which belongs in the

one welcome effect of these trends has been to increase the market's free capital—that por-tion of the equity that is freely traded and not held by the com-

pany's directors.

At the end of last year, the At the end of last year, the the USM is still not proving amount of free capital was the bapplest of places for £1.3bn, nearly 40 per cent of the market's total capitalisation, six percentage points above that market as a whole, the prices in 1984. amount of free capital was £1.3bn, nearly 40 per cent of the market's total capitalisation,

The takeover craze has also manifested itself in an unprecedented large number of USM companies being taken over. Indeed, of the 26 companies which left the market last year more left the market last year, more than half were carried away in the shopping baskets of larger groups. These numbers exclude a further dozen USM companies

Contents

The costs of Entry: Criticism as expenses increase

Corporate Activity: Highly rated paper and a cash build up fuel bid

Moving to a Full Listing: Fewer graduates to the big board last year 3

Research: Justification of costs proves a deterrent

Companies: Attractions of the market stretch to the US

Institutional Attitudes: No rush to seize opportunities created

Profile of Blue Arrow: A paper chase that has yielded rich rewards 6

The Electronics Sector: High flyers take a nose-

though this has mainly been a

reaction to the "Yellow Book

which caused a dash for a full listing at the end of 1984 before

its new regulations took effect. Good for companies, perhaps,

of individual shares remain

alarmingly volatile, and 20 per

cent price movements in the space of a week are not un-

Companies are still able to

shock the market into wiping

up to 50 per cent off their mar-ket values by producing horrific

CONTINUED ON NEXT PAGE

Peoples Businesses: Love affair loses some of its

Profile of Body Shop: The beauty of organic growth

Over the Counter Market: A cost concious competi-

results nnexpectedly.
Microvitec and Fergabrook
were among this year's shock Profile of Thermal Scientific: Eyes set across the



Hoare Govett's top-ranking* Unlisted Securities Market team provides a comprehensive service on

this ever-growing market. Each week we review market news, price movements and new issues. Our computer database is continually updated to publish a weekly financial analysis with a complete range of financial ratios for all companies quoted in the market. Our 'USM on Topic' publication regularly reviews new market issues, and our well known annual USM Directory provides background details on each company and summarises its financial performance.

Hoare Govett Limited Heron House 319-325 High Holborn LONDON WCTV 7PB

Members of The Stock Exchange

As a leading corporate broker, Hoare Govett also provides a full range of services to the potential USM company. Our booklet 'Entering the Unlisted Securities Market describes in detail the procedures and requirements involved for companies coming to the market and is available on request.

For further information about how your company can get closer to the USM, call Geoffrey Douglas on 01-404 0344 or send in the coupon

*1985 Extet Investment Analyst Survey.

Mr Geoffrey Douglas, Hoare Govett Limited. Please send me details of your USM research service : 📋 Please send me "Entering the Unlisted Securities Market



mpartial corporate advice is increasingly difficult to find in these changing times in the City.

Why not talk to John Gordon at Capel-Cure Myers - the brokers with a reputation for an independent and professional approach. We brought the first company to the USM and have launched many more since.

> Members of The Stock Exchange 01-248 8446

> > Member of the AND Group

65 Holborn Viaduct London EC1A 2EU

Richard & Se

Firmity Sittle Marking & Call

CLAYFORN PROPERTIES PLC

OFFER FOE SALE

37 LIMITED LOG. LIMITED

Unlisted Securities Market 2

Criticism as expenses increase

The Costs of Entry

LUCY KELAWAY

THE issue of USM entry costs is an emotional one. Une of the main purposes of the USM was to create a market with entry costs low enough not to deler smaller companies from joining. Therefore each time costs ere perceived to be rising, there is angry outcry.

After a brief period of stability, however, USM costs-are on the increase again, rising at a faster rate than inflation. In a recent study of the market, Touche Ross, accountants, calculate that average USM entry costs rose by about 13 per cent last year, a real increase of about 5 per cent.

Costs as e proportion of the size of the company have also been rising. In the second half of last year companies paid on average 25 per cent of their market capitalisation in flotation expenses, compared to 2.3 per cent paid by those which joined the market in the first half of the year.

The increase in costs does not oecessarily mean thet professional advisers are charging more for the same services.

Anecdotal evidence suggests that fewer flotations are heing done by lard fewer or religious. done by local firms of solicitors and accountants, and that City firms are getting an increasing share of the business.

This trend, and the accompanying rise in entry costs has been strongly criticised by some USM companies which claim to have been pressurised into using expensive City firms when local ones could heve done the job equelly well. The old boy network in the City is so strong, it is claimed, that any company that does not come to merket with a list of esteblished firms among its advisers may be penalised as a result.

While most companies do oot take such a strong line, they are becoming oo average less com-placent about the quality of the job done by their professional

Some companies claim to have been pressurised into using costly City firms when local advisers would have done the job equally well. Even those that do not take this line are becoming less complacent about the quality of services offered.

advisers. According to a survey by Spicer end Pegler oo the USM, the number of companies which claimed to be "very satis-fied" by the job done by their sponsoring broker was only 34 per cent, compared to 59 per cent of those surveyed in 1983. The number which said that they were dissatisfied with their broker has risen over the last two yeers from 8 per cent last two yeers from 8 per cent to 9 per cent.

Some of the reason for the unrest mey be costs. The survey concluded that over 40 per that these were "significantly higher" than broker's initial estimates. This seems to have been more of a bone of conten-

been more of a bone of conten-tion than the price that the broker fixes for the shares.

The number of companies hor-rified at the low price et which their company was fleted hes fallen from 15 to about 6 per cent of the total. Nearly 90 per cent of those asked were satis-fied that the shares had been sold at about the right price.

While it is still cheaper to join the USM than the main market, the gap may be nar-ruwing somewhat. Assuming that the same amount of money is raised, costs of getting n full listing are about one third higher than costs of joining the USM. An averege full offer for sale, in which the company raises £2.5m, might cost about £320,000 on the main market, against around £250,000 on the

How much eny company pays

depends on a variety of factors. To date, the most expensive floation has been Synterials, which paid £1.5m to raise a record £20m on the USM, while Merrydown Wines secured a place on the merket for a mere £3,000.

Such cases are exceptions, however. In general, a company joining by the cheapest route of an introduction (whereby no new money is raised, and when at least 10 per cent of the equity is already in public hands) could expect to pay between £50,000 and £100,000.

The middle route, taken by the majority of USM entrants, is a placing, possible when the value of a company is less than is to be raised. A placing currently costs between £120,000 and £200,000.

A full public offer for sale is the most expensive route to a USM flotation, and would be likely to cost between £196,000 and £320,000 for a company raising about 13m.

There are two main reasons for the additional expense of the offer-forsale method—advertising, and underwriting. The cost of underwriting the issue is usually about 1‡ to 1‡ per cent of the money raised, while the cost of advertising a full prospectus in a national newspaper is around \$25,000.

Entry costs also vary enormously depending on who the sponsor is. Hiring a merchant

will increase the charge some (perhaps by 225,000), and is probably set a justifiable expense for smaller companies not planning to make

acquisitions.
County Bank, one of the prest
active merchant banks of the USM, argues that biring e mer-chant bank may not be as exchant bank may not be as ex-pensive as is often made out, it claims the costs as a percent-age of market capitalisation of the companies that it has brought to market have on average been slightly lower than the costs charged by some of tho USM's leading stockbrokers.

Such a comparison mey be slightly misleading, however, because the companies employing a merchant bank tend to be larger than average, and one would therefore expect costs as a percentage of capitalisation to be lower.

Even if a company decides to shun the services of a merchant bank, there may still be a huge tariation in the changes quoted by stockbrokers. For instance, (libbon Lyons, a small printing ink manufacturer, which joined the market last year, conducted a "beauty parade" getting various brokers to bid for the business, The costs ranged from £50,000 to £120,000. The company planneed for the lowest pany plumped for the lowest estimate and claims to have been satisfied by the service

Comparative costs Between fall offer for sale raising \$2.5m, and a \$1.5m USM

| | | | | USM | |
|---|----------------------------|-------|-----|------|----|
|) | Sponsor | 40 | €8 | 25- | 10 |
| • | Reporting accountant | 20- | 50 | 25- | 50 |
| | Solicitor | 25 | 50 | 20- | 40 |
| | Cocarteission | | 50 | - | 8 |
| • | Professional fees total | 145- | 716 | 78-1 | 48 |
| • | Advertising | 1 | 10 | | 3 |
| | Printing | . 36- | 33 | 13. | 15 |
| | Stock Exchan | ze | | | _ |

| Stock Excha | aze | |
|--------------|----------------|----------|
| fée | 4 | 1 |
| Share regist | | 1- 3 |
| Grand total | | |
| | Source: Arthur | Anderson |

Are you fit for the USM? Ask us for a physical.

SAMPEL MONTAGE A CO LIMITED

GOING PUBLIC IN THE LIK

You need experience.

when you bring companies to the market.

We've got it at Samuel Montagu.

Telephone: 01 588 6464 Telex: 887213 Contact: Jeremy Prescott or Gillian Oakes

114 Old Broad Street

London EC2P 2HY

SAMUEL MONTAGU & CO. LIMITED

American Electronic Components PLC

If you're seriously thinking of joining the USM, we have an offer you may have trouble refusing.

First, at no cost whatever, we'll come and discuss your plans with you.

Then we can make a two or three day investigation of your company, in the strictest confidence and with the minimum of fuss.

After which, we'll advise as to the right course of action.

This may be not to join the USM at all.

Perhaps a private placing would be more appropriate than a public quotation. Or your business may be more attractive to specialist investors.

How can we come to such profound judgements in so short a time? Because we have profound experience.

We set up a specialist division to help growing businesses as long ago as 1965. We've already successfully launched 37 companies on the USM. And helped many more to raise capital in other ways.

Send us the coupon. You'll be surprised how much you can find out for the price of a stamp.

| I WC2R 2PS. Tel: | 01-836 1200. | and full details of your physical. |
|------------------|---------------|------------------------------------|
| Name | - | |
| | | |
| Company | | FT4 |
| | | ARTHUR |
| | | ANDERSEN |
| Tel: | Post Code | Chartered Accountants |

Rapid rise to market maturity

disappointments. While some accidents are to be expected in a market that is as poorly researched as the USM, many of its companies still aggravate such tumbles by failing to give their advisors early warning when trading takes a sharp turn

While some companies have plunged (last year 47 shares fell by more than half), and others have flown (14 companies saw their shares rise by more than 100 per cent), the market as a whole ended the year only 2 per cent higher than at the outset. From a starting value of 112, the Datastream USM index had struggled up to only 115 by the end of the year, while the main market rose by around 15 per cent.

The USM's true performance, however, is not quite as dis-heartening as the movement of its index implies. Had it not been for the calamity that befell been for the calamity that befell the electronics sector, the pic-ture would have looked quite different. Hoare Govett has calculated that by stripping out all electronics shares, the index advanced last year by about 16 per cent — a fairly encouraging result.

The collapse of electronics shares was, nevertheless, n major feature of the year on both the USM and the main market. What by the end of

CONTINUED FROM PAGE ONE

1984 seemed to have been a missip in thin home computer market, triggering a misor remarket, triggering a misor rethink about most of the excidents are to be expected in a market that is as poorly researched as the USM, many of its companies still aggravate of the sector.

1984 seemed to have been a misor termination in the market been to lessen the USM index made the drop on the riskin market look like a USM's dependence on electronics stocks, by last year became a major downward move that affected nearly every stock in the market fell from more then to argue the the market would be wised out at the onset of the wise onset of the wise onset of the wise onset of the wise out at the words of the words of the market fell from more than to under 10 per the wise onset of the market fell from more than the wise onset of the market to lessen the USM's dependence on electronics stocks. Their share of the market fell from more than the wise on the wise of the market fell from more than the world on the wise mouths of the wise and the wise of the market look like a tronics stocks. Their share of the wise of the sector.

USM electronics stocks, which started from higher ratings had further to fall, and the USM electronics sector fell he nearly 50 per cent, while the sector on the main market dropped by only 28 per cent. A great succession of USM companies including CPU, Cifer, CPS, Zygal and many others, all dis-

180

160

raliont has been to lessen the USM's dependence on electronics stocks. Their share of the market fell from more them 20 per cent to under 10 per cent during 1985. cent during 1985. Although the USM index ended

the year little changed, its pasthe year little changed, its pas-sage was anything but smooth. As has become its pattern, the maid market fell steeply in the early summer months, dragging the USM down in its wake. While one would expect tho USM to fare worse during a weak patch than the main marweak patch than the main mar-

FT-A All-Share Index

The USM's early orities used to argue that the market would be wiped out at the onset of the first great bear market. While few hold that view now, the USM's resilience has yet to be put to a major test.

It is not the prospect of a best market, however, that elauds the herizon for the USM over the next 12 months, so much as the impending City Revolution. While there has been much agitating over the likely effect of hig Bang on the USM, nobody really knows what to expect.

what to expect.

The main worry is that scrapping minimum commissions and introducing dual capacity dealing will concentrate market resources on larger companies, making dealings in shares of smaller ones—never liquid at the best of times—dry up altogether. Alarmists think such a prospect will put off institutions from investing in the USM, leading to e fall in prices and detering companies from joining the market.

Others take a far more

Others take a far more sanguinn view. They argue that, with most of the large share transactions already being matched by the sponsoring broker, and a small role already being played by the jobber, the effect of Big Bang may not be that revolutionary.

Sources of Venture and Development Capital 1986 now available

Stoy Hayward are specialists in advising on all aspects of raising venture and development capital and guidance on going to the Unlisted Securities Market, a full quotation or operating in the Capital Market generally. However far your capital raising or flotation plans have developed, now is the time to benefit from our knowledge and experience. The resources and skills of all our partners

The information on the Sources of Venture & Development Capital and our review are required reading for everybody who has a need for capital or is involved in this industry or acts as a professional advisor to

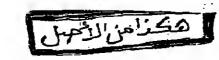
and staff are available to assist you.

If you would like copies of the booklets on these subjects, please complete and return the coupon.



| Please send me n copy of: Sources of Venture and Development Capital in the United Kingdom. Obtaining a Stock Exchange Quotation. Please contact me to discuss my specific needs. | |
|--|---|
| NAME | 1 |
| POSITION | - |
| COMPANY: | 1 |
| ADDRESS: | |
| | |
| | |
| TELEPHONE: Please return to: Stephon Greene. Partner, Stoy Hayward, 8 Baker Street, London WiM 10A. | |
| Short Manager | |

8 Baker Street, London WIM 1DA. Telephone: 01-486 5888



Highly rated paper and cash build up fuel a bid boom

cations and Michsel Page merged to form the largest mar-keting group on the USM. Some USM companies have

even set their sights on main market companies. The most daring epproach so far was the recently thwarted bid by

property company Clayform for the larger and fully listed de-

partment stores group, Owen

Such drama is very unusual on the USM. One of the charac-teristics of USM taleovers is the

Oil mergers have been the

most common as well as the most traumatic of USM take-There bave been two

reasons for this. One is tax (spending on exploration is wasted unless there is a stream of production income against

which it can be offset) and the other is rising exploration costs

and the escalating size of dril-ling projects which make it more difficult for smaller com-panles to bold their own against larger ones.

Other USM takeovers have

shareholders in an attempt to rationalise their shareholdings.

A typical example of the first

Other rescues have taken the

Corporate Activity

LUCY KELLAWAY

AN EXTRAORDINARILY large number of takeovers on the main market over the last year bas diverted attention from a similar, albeit quieter, revolution ... that has been taking place on the USM.

good grace with which they are conducted. Clearly, when a USM company is bid for the The flurry of corporate activity is a new experience for the junior market. In 1985 18 companies were taken over, comquestion of a contested takeover bld almost never arises as the founders of the company typically own more than 50 per cent pared with a total of 12 during the market's first four years of existence. Indeed, acquisition has become the most travelled exit route from the USM, while of the shares. It is only among the ofl com panies, the shares of which tend to be more widely held, that blows have been exchanged in graduation to a full listing takes takeover battle. The two most dramatic have been the £120m takeover of Saxon Oil, the largest bid that the USM has second place, with only a dozen companies having moved up in

as many months. The USM takeover craze is being driven forward by the same forces fuelling activity on the main market. After three years of strong profit growth coupled with low infletion, companies have amassed large piles of cash. And with the stockmarket pushing forward to record levels, acquisitions can be made cheaply with highly rated shares.

I largest bid that the USM has seen, and the wrangle for control of Petrolex. Saxon had agreed a merger with Charter-house Petroleum, when at the last minute Enterprise Oil emerged with a higher, and victorious bld. Petrolex was first bid for by Clyde Petroleum and subsequently by Saxon Oil, both of which were later trumped by Aaran Energy, whose flem bld was accepted in June.

With such ampie means at their disposal, companies bave been finding that growth by acquisition is one answer to the problem of fading organic

But USM companies have not merely been at the receiving end of bids. The number of them playing the part of aggressor has also risen steeply over the past year — in the first nine months of 1985, USM companies made over 50 acquisitions.

Many of these were for shares, vindicating the claim made by many companies on joining the market that one of their main reasons for getting a quote is to provide them with paper for acquisitions. In the USMs first coil groupings. five years more than 70 com-panies have used their shares to make acquisitions, while about ten have done so threa

panies have used their shares to make acquisitions, while about ten have done so threa times or more.

The bulk of the target companies have been relatively small and privately owned, but a handful have been large which are bid for by majority accounts to swamp the company. enough to swamp the company making the bid.

For example, Fergabrook, a distributor of toys, 122 May bought Tritrade, a company with twice its turnover and about ten times its number of employees

A typical example of the first type is Morgan Communications, which built up a thriving free sheet newspaper business that was bought last August by Reed International for £10m. more than twice the price at which it came to the USM a year earlier. employees.

Swallowing such a buge acquisition turned out not to be easy for Fergahrook. Soon after bying bought Tritrade — a distributor of DIY and garden products — Fergahrook realised it had paid too much. While it has succeeded in getting back film of the 55.4m purchase price, profits this year are not to be hoped for.

Other USM companies have had a far happier experience in pursuing an ambitious acquisitions policy. Two stars on the acquisition trail have been Blue Arrow, the employment agency, and Thermal Scientific.

Thermal Scientific. which makes specialised heat treatment products, has made seven acquisitions since it came to the market in the summer of 1983.

In the rescue category belongs the bid for Applied Botanics, which badly missed the profits forecast made at the time of its floation in 1981 and has since plunged into deepening losses. A bid from REA values Applied Botanics' shares at 11p each Botanics' shares at 14p each compared to last year's high of 24p. form of a disguised rights issue. The purchasers of Breville Europe, a once successful seller of toasted sandwich makers, and

Synterials, a start up venture that never managed to get its synthetic replacement for injection moulding off the ground. arket in the summer of 1983. were motivated more by the target's large piles of cash than by It has increased its market capi-

talisation ten fold.

Blue Arrow, which last summer was a modest recruitment agency, worth about 13m, is now agency, worth about 13M, is now the largest agency in the UK. following the acquisitions of Reliant and more recently, of Brook Streel. These purchases have lifted its market value to

more than £40m.

Not all the expanding companies have limited themselves to buying privately owned companies. In the last year there on the USM. Crown International Productions bought Hayters, o sleepy maker of lawnmowers. Tomkins paid only slightly more than the £3.5m at which Hayters came to the market in 1981.

Clean up bids have included the Crown International and Capital TV merger, the bid by Polly Peck for Cornell, and most lernational Productions bought the Crown International and its sister company Capital TV; Hunterprint acquired Formdesign. Garfunkles bought the less successful Strikes chain of the shares that it does not already hold in bome improvements businesses. Addison Community ments group, Kean and Scott.

Fewer graduates from the nursery last year

Moving to a **Full Listing**

RICHARD TOMKINS

WHEN the USM was founded in 1980, its prime function was to act as a market for the securities of companies which found the requirements of the main market too onerous. A decision to opt for a quota-tion on the USM was not, how-ever, intended to be final: it

ever, intended to be final: it was always envisaged that one of the junior market's other main functions would be to act as a nursery for companies destined one day to find their way to the stock market proper. It would be reasonable to expect, then, that as companies on the USM grew in number and gained in maturity, the rate of transition to the main market would gradually increase.

To some extent, this has bappened. Until the end of 1981, there were no transitions at all; in 1982 there were seven; in 1983 there were 10; and in 1984 there was a sharp rise to 25. In 1985, however, there was a blocup, and the number fell beek to 10

back to 10.

The single most important reason for the apparent reluctance of USM companies to make the move to the big board in 1985 was the introduction on January 1 last year of the Stock Exchange's new yellow book,

The rule changes were intro-duced as a result of an EEC initiative aimed at harmonising initiative aimed at harmonising the treatment of companies on the various EEC stock exchanges. They were not aimed specifically at USM companies, but at all companies joining first-tier markets, whatever their origin.

The chief practical change affecting potential USM graduates was that companies had to publish full listing particulars before going to the main market.

This meant that they had to provide information which would allow investors and their advisors to make an informed assessment of assets and liabilities, profits and losses, and the issuer's financial position and prospects. There also had to be statements relating to working capital, borrowings, and a reference to the company's development in the current year, all of which had to be approved in writing by the

Stock Exchange's quotations committee. These were not particularly onerous requirements since USM companies could be expected to bave all this information readily available.

formation readily available.

However, another requirement introduced was that all companies seeking a listing should produce a five-year secondaries seeking and where companies are transment introduced was that all ket without issuing any new shares—that is, through an introduction—the publication of a lars for issues of 10 per cent or

which contains the rules on accountant's report, and that full prospectus is not regarded more of their equity, which admission to listing for com-panies entering the main reproduced in full either in a With hindsight, it can be seen sittly companies which might

In the light of the Stock new rules and the increase in Exchange's willingness to see the USM acting as a staging post for companies on their way to the main market, it never appeared likely that it would be a party to throwing unnecessary bureaucracy in the path of would-be graduates: January 1 deadline.

The Stock Exchange yellow book has been the main reason for

reluctance to make the move to

the market's big board in 1985

and in fact it has shown itself

For example, if a company bas met the disclosure requirements on coming to the USM and these were in May and and complied with them fully since, the Stock Exchange is The reasonably relaxed about the five-year secountant's report; flow of the stock Exchange is the stock Exchange is the stock Exchange is the stock Exchange is the stock Exchange in the stock Exchange is the stock Exchange in the stock Exchange is the stock Exchange in the stock Exchange in the stock Exchange is the stock Exchange in the stock Exchange in the stock Exchange is the stock Exchange in the stock Exchange in the stock Exchange is the stock Exchange in the stock Exchange in the stock Exchange is the stock Exchange in the stock Exchange in the stock Exchange is the stock Exchange in the stock Exchange in the stock Exchange is the stock Exchange in the stock Exchange in the stock Exchange is the stock Exchange in th

The result was a bunching of to be flexible in applying the transitions towards the end of new rules.

1984 and a gap shortly after-

> There are bowever other factors which have belped stem the flow of compsnies to the main

wards; only two transitions took snd these were in May and

brochure or in a dsily newstated many of the worst fears otherwise make the move, about the complexity of the Another is that the USM is In the light of the Stock new rules and the increase in now sufficiently well established to bave earned respect much more important over-ability in its own right rather seas." than being regarded solely as the main market's poor relation.

Also, as the USM develops in size and breadth, companies are increasingly aware that there is sometimes more merit in being a big fish in a small pond than being a tiddler in a large

That said, there are undoubtedly advantages for many com-panies in making the move. The last two companies to graduate in 1985—Northamber, the computer pheripherals distributor, and The Berkeley Group, the up-market property developer— both said their main reason for making the transfer was to add to their prestige.

to their prestige.

They also saw the move as a natural concomitant to their companies' growth. Mr David Phillips. Northamber's chairman, said: "We never saw the USM as the be-all and end-ali: a move to the main market was always a part of our long-term corporate strategy."

There were other reasons, too. For example, Mr Jim Farrer, Berkeley's chairman, said that when it came to acquisitions he felt Berkeley would be in a better position to raise funds as a fully-listed company.

company. Northamber's Mr Phillips

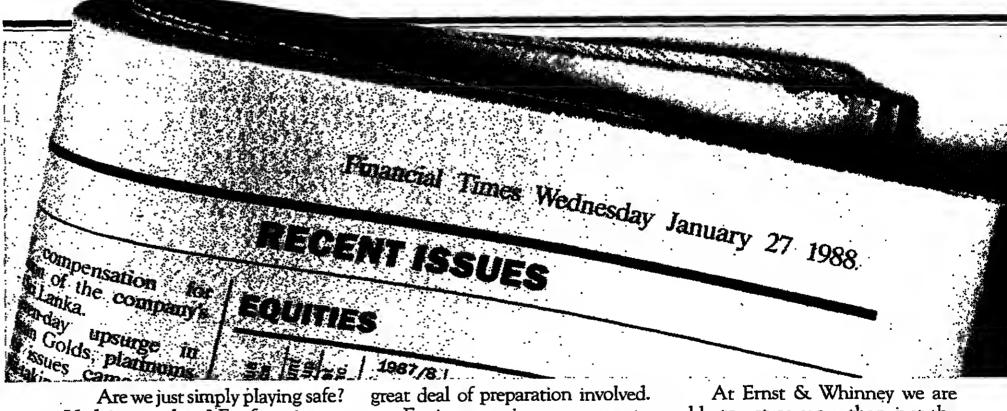
multinational corporations, and while the fact that the USM is a junior market might not matter in the UK, it may be

Another significant advantage of going to the main market through the USM is cost. A flotation on the main market can be expected to cost about £500,000, whe as an entry via s placing on the USM and subsequent transfer to a full listing tbrough an introduction might cost half as much.

The Stock Exchange would ine Stock Exchange would undoubtedly take a harsh view if it were to suspect that the USM was being used merely as a cheap means of entry to the main market, but there is no cvidence to suggest that it has yet been abused in this way. Any company tempted to pursue such a course would probably be discouraged by the thought that the cost in management time of this tortuous means of entry would probably outweigh

the cash savings. Although the number of companies transferring to the main market fell last year, this exit roule remains the most common among companies leaving the USM, accounting for nearly 60 per cent of departures during the market's lifetime. Towards the end of 1985 the rate of transfer picked up again and there seems every likelihood that the previous gradual up-ward trend will be resumed

YOUR BUSINESS FI ()TATION. RF'S NOT



Are we just simply playing safe? Hedging our bets? Far from it.

'Going public' can, of course, be highly rewarding. But at the same time it puts you squarely in . the public eye.

And unless your business is properly prepared, the dream of a flotation could so easily turn into a nightmare.

At Ernst & Whinney we know it takes two, preferably three, years to help a company get shipshape for a launch.

A long time, we agree. But in our experience there is usually a

great deal of preparation involved.

For instance, is your corporate and management structure set-up to accept the extra constraints of a publicly-quoted company?

Should you be extending your range of products or services?

Do you know how to go about taxation planning for both the business itself and for its existing shareholders?

Indeed, is the USM your best course of action?

Would a private placement, a full listing or development capital be a better option?

At Ernst & Whinney we are able to act as more than just the reporting accountants.

We have a ream of specialists who will assess your business from every angle.

And we'll be on hand right up to and after the big day of the issue.

For any of our free booklets, or even a free initial consultation, call Stephen Hall or Clive Ward on 01-928 2000.

There's no time like the present.



the merits of its business.

Other takeovers, while scarcely rescue attempts, have

been brought about by poor-or

at least unadventurous man agement of the target company.

F. H. Tomkins, expert in the art

of buying companies and shak-ing them up, last year turned

Unlisted Securities Market 4

One merchant bank hasled more companies to the USM more successfully than any other. Since the USM was founded more companies have chosen County Bank

Top table at a recent seminar held by accountants Spicer and Pegler on research into USM companies. Left to Right: Bob Willott, Spicer and Pegler; Rhod Bradley Jones, Bristol Polytechnic; Eddie Ray, senior partner of Spicer and Pegler; Patrick Harrex, also of Spicer and Pegler, and Roger Hussey of Bristol Polytechnic.

Cost justification is deterrent

Research RICHARD TOMKINS

considers setting up a team of analysis to research the USM is confronted by one fundamental problem; the market's

lack of liquidity.

Stockbrokers are not primarily philanthropists and, like most other business people in the City, they can only justify the provision. provision of service if it promises adequate financiel

All the larger stockbrokers carry out research into the biggest companies quoted on the main market as an essential adjunct to the buying and selling of charge in these companies are charge in these companies and companies are charged in these companies are companies and companies are companies are companies and companies are com ing of shares in those com-panies on behalf of their clients. The expense of con-ducting this research is easily justified by the income present justified by the income received in the form of commissions on

those transactions.

The USM, bowever, is a different matter, for the companies whose shares are traded on the market—and the proportion of their shares in public hands—tend to be small.

This means that there is unlikely to be any significant trade in the shares of any but the biggest and fastest moving USM companies and the prospects of a broker being able to justify the costs of research in terms of commission received are, therefore, remote. are, therefore, remote.

This was particularly true in the USM's early days, when there were few companies on degree of uncertainty about how it was going to evolve. As the USM bas grown in breadth and size to the point where it is now considered to be mature and well-established, stockand well-established, stock-brokers are in a better position to take a considered view about whether they wish to follow it. It remains the case, however, that most brokers have re-mained aloof. Some look at the market spasmodically: for example, all brokers will follow those companies which follow those companies which they themselves have brought to the market and analysts of particular stock market sectors will usually keep a weather eye on developments on the corresponding USM sector. But there are probably only three brokers who can claim to devote resources exclusively to researching USM companies

ing USM companies. The most prominent is Hoare Govett, where a team of four under the leadership of Mr Geoffrey Douglas has been researching the USM since mid-

1983. The core of any research service is, of course, the broker's ebility to analyse individual companies and give recommendations on whether their shares represent good value. But as a concomitant to this ectivity, brokers mey offer a range of other services and publications.

The Hoare Govett team is

aided in its research efforts by the use of a computer database which is continually updated with a hroad range of statistics on USM companies. This not only assists with the analysis of individual companies but also enables the team to look at broader market trends, such as the amount of companies' share capital in public hands, or price/ earnings ratios for each sector

and the market as a whole.
One of Hoare Govett's achievements bas been the annual publication of whet is widely regarded as the USM hible: the Unlisted Securities Market Directory. This volume, published every November, reprodoces much of the information contained on the data base and includes pen portraits of all the companies on the USM together with their vital financial statistics.
Other publications from

Hoare Govett's USM team include a weekly newsletter wblch includes up-to-date prices end other financial statistics on every USM company; the monthly Current Opinions, which summarises the team's comments on a selection of companles in the news; and the oceasional USM On Topic, which

Entry Departures Full Listing 45: **Total 402** .. Total 78

reputation for providing across-the-board coverage, and by 1983 the USM since the market's

is a written version of its screen-based information service.

Mr Douglas ecknowledges that many brokers heve been reluctant to involve themselves in USM research because of the difficulty of justifying the cost in terms of the potential rewards, Hoare Govett, bowever, is a lerge broker with a reputation for providing across-

"In the competitive environment after Big Bang, people are going to be looking beyond the top 200 main market stocks. There could then well be a tendency for brokers to increase research into smaller companies."

"In the City's increasingly "In the City's increasingly competitive environment, brokers are having to look at the range of services they are providing and make sure they have the right products available. If there is a gap in the range of services on offer, and you set out to occupy that gap, it has got to be e good thing."

It is also important to ettract small companies which may become the hlg ones of tomor-

services and you bring a com-pany to the market, the chances are that you will benefit in the

the USM had grown to such size and importance that Hoare Govett felt it was time it offered comprehensive research into the market for its clients.

But in any case, Mr Douglas says, USM research need not necessarily be just a loss-leader for a broker's other services.

Inception, partly because it was itself responsible for bringing a number of companies to the under of the larger brokers this was a service it should offer.

As well as the usual research notes on the companies to which

As well as the usual research notes on the companies to which it is broker, Grieveson publishes a. (slightly irregular) monthly overview of the market which includes comments on new issues and recent results.

Miss Unsworth Miss Unsworth readily acknowledges that single handed she can bardly bope to follow all 342 stocks on the USM. Therefore a degree of specialisation is inevitable.

It is also important to ettract small companies which may become the hig ones of tomorrow.

"One wants to get involved in growing companies," says Mr Douglas. "If you are e larger broker with e wide range of services and you bring a companies of the strategy of the small state of the size of the market means that the coverage cannot be comprehensive, and on consumer stocks," she says. Grieveson's Mr Malcolm Brown, an oil analyst, also follows USM oil stocks.

an on analyst, also rottows USM oll-stocks.

The other broker which specialises in the USM is Field-ing, Newson-Smith, where Mr

Andrew Holland has been folstems partly from the links it has forged with County Bis-good, the stockjobber, in pre-paration for this year's Big

seems only natural that it should have a research facility to malch this expertise,

Like Miss Unsworth, Mr foliand: recognises that one erson is limited in the number of stocks be ar she can cover and he follows only 25 compre-hensively. Many of these are those which Fielding brought to the market anyway. Fielding's Mr James Dodd, a main market electricals analyst, also takes a specialist interest in USM computer stocks, however. That, then, is the limit of the formalised stockbroker research into the USM, although to some extent the analysis does an injustice to other brokers' efforts. justice to other brokers' efforts, For example, Phillips and Drew, Simon and Coates and other brokers which have brought large numbers of compenies to the USM keep a close watch on the market. Capel—Gure Myers also has a small compenies research team. compenies research teem, the brief of which encompasses the smeller main market stocks and lerger USM ones and lts monthly Smeller Companies Review includes profiles of USM companies.

How Big Bang will affect the degree of research into the USM is open to speculation end USM is open to speculation end there is e diversity of opinion on the subject. Some observers believe the fragmentation of the market will be such that both dealing and research will be confined to in-house stocks, but Hoare Govett's Mr Douglas is more sanguing. more sanguinc.

"I can't believe everyone is going to be fighting over those going to be fighting over those top 200 main market stocks." I think that in that competitive environment people are going to be looking for other areas they can occupy and that there could well be a tendency for brokers to increase their research into smaller companies."

FROM LITTLE ACORNS...

Neville Russell has helped companies to the Unlisted Securities Market from the first day it opened in November 1980. Our specialists will help prepare you for the USM, provide appropriate introductions and take you forward.

If you are a successful company ambitious for further growth, through our national network of 21 offices, we can provide management advisory services, and assist with:

- Going Public
- Raising Finance
- **Business Planning**

For a copy of our booklet and further information, please contact John Mellows of our Business Services Group or complete the coupon below:

To: John Mellows, Business Services Group, Neville Russell, 246 Bishopgate, London EC2M 4PB. Tel: 01-377 1000

Company

to act as their sponsor than any other

has also been well ahead of the market

as a result.

on 01-638 6000.

enough to cope, yet small enough to care.

merchant bank. And their performance

To find out more about how we can

COUNTY BANK

County Bank Limited, 11 Old Broad Street, London EC2N 1BB.

and in Birmingham, Leeds, Manchester and Edinburgh.

A member of the National Westminster Bank Group

AIMING FOR THE USM –

WHY NOT MAKE US PART

OF YOUR TEAM?

During the last year, as solicitors, we've been closely involved in a number

We have 35 partners supported by around 200 other staff, so we're large

For a copy of our firm's brochure and an outline of the legal aspects of the

THEODORE GODDARD

16 St. Martins-le-Grand, London ECLA 4EJ, Telephone; 01-606 8855, Telex; 884678 Associate Offices in Paris, Jersey and Madrid.

When you go for the USM, you need a team with experience.

of successful USM flotations, working alongside sponsors and accountants to

provide legal and technical advice to companies approaching the market.

USM, write to us today. Or simply call Derek Lewis on 01-606 8855.

At Theodore Goddard we have precisely that experience.

assist you please contact Simon Metcalf

Neville Russell Chartered Accountants

'Raising the wind'

Dearden Farrow is in the business of corporate finance and our experts have the experience and specialist knowledge to enable companies to raise additional capital. Of the right type, at the right level, at the right time.

Each company is unique and its requirements liable to change, so that there will be no standard method. We examine available alternatives - including the different forms of flotation, and brief clients as to the most suitable Our financial advice is impartial therefore we work well alongside other professional

Our corporate finance advisers can be contacted through any of our offices throughout the country. Why not write now for our brochure and booklet Focus on Finance' to Dearden Farrow, 1 Serjeants' Inn. London EC4Y 1JD. Telephone: 01-353 2000 Telex: 8812282 DEFA G.



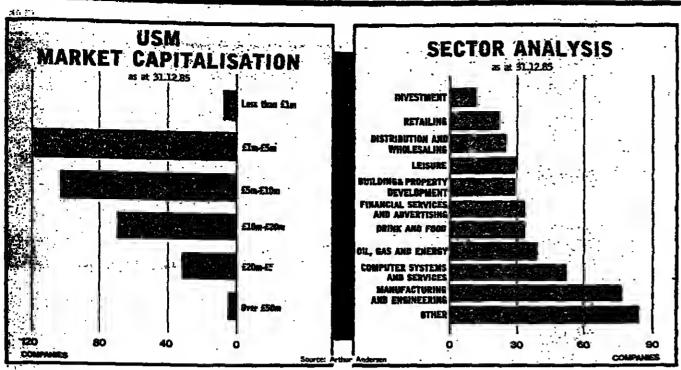
Dearden Farro

in the business of creating a future

THE he k

1111

Unlisted Securities Market 5



Attractions stretch to the US

Foreign Companies

LUCY KELLAWAY

TUCRED away in Andover, Massachusetts, a silver-haired American businessman bas been steakibily and almost singlehandedly responsible for one of the USM's latest trends -the surge in the number of US companies joining the

Within the space of 12 months, six American companies have come to the USM. All but one of these were advised by Mr Dick Reichter, president of the Eaton Financial Management Corporation, which introduced them to their sponsoring brokers in London.
In the preceeding four years
only three companies took
similar steps, with such disastrous consequences as to have done serious damage to the image of US companies in the minds of USM investors.

If some investors still feel a strengely, the special needs of carry scant information as to knee jerk reaction against any company raising money so far from home it is not surmising and adolescent company raising money so far from home it is not surmising are not well cared for. from bome, it is not surprising. Flogers were badly hurnt on Nimslo, the Bermuda based 3-D camera manufacturer which is still making losses four years after joining the market. Chemical Methods: the Calitors their money back when it that all companies frequently make it more open to abuse.

See and companies frequently make it more open to abuse.

However, there is also a real plantering regardless of whether it is released by their issue prices.

Both shares now stand at a vant or not. In London, the company is more on the company is more on the company is more on the company.

The simplicity of the UK specifies of all US investments.

However, there is also a real problem in how to sustain plu their names and reputations investors' interest in the shares are not necessarily of all US investments.

However, there is also a real problem in how to sustain plu their names and reputations investors' interest in the shares are not necessarily of all US investments.

that he bas been trying to get

across, both to US companies the process of getting a quota-and to UK investors, is that tion in the UK, making it faster there are many good reasons and cheaper. An American com-why a US company should pany that wanted to raise about choose to raise money in £3m via a USM placing could

£280bn quoted on it.

However, Nasdaq seems best the two systems is that only in suited to the needs of larger the UK is a company allowed to more mature companies, while come to market with a profits the buge pools of venture forecast. This may be important capital that exist in the US cater for a very young company, for

The USM has filled a gap between Nasdaq, the US secondary market, which caters for more mature companies, and the huge pools of venture capital aimed at infant businesses.

A small company with sales of less than 45m joining Nasdaq are less rigorous than those in the US hapefuls.

If the regulations on the USM ful flotations for all the US hopefuls.

If the regulations on the USM ful flotations for all the US hopefuls.

Of the six most recent new-that only those companies that only those companies

One effect of this is to simplify cerns.

Both shares now stand at a vant or not. In London, the to the prospectuses of the com-fraction of their issue prices.

Mr Reichter cannot thank to produce any information that their standing in the market, may lapse for no better reason these companies for the image would have a material effects on suffers whenever they are out of touch.

This could be the cause of the

our existing advisers by

adding extra expertise

where necessary without

duplicating effort and so eping expenses to a

contact either Geoffrey Simmonds or Richard

Owen, joint managing directors of the Group.

Britain.

Ease to pay about £300,000, preferring the USM to US and spend four months preparing the USM to US and spend four months preparing the USM to US and spend four months preparing the USM still (even ing for the quote. The same after this year's shake-out) rates to the USM with more than size of the USM still (even after this year's shake-out) rates the USM still (even

For all these reasons, Mr Reichter has found himself in-undated with American com-panies wishing to join the USM. Clearly not all are suitable, and one of the ways in which he earns his \$150,000-\$200,000 fee is by carrying ont a preliminary survey of the company's busi-ness, which he sends to a small bandful of London stockbrokers. interested these bid for the

In one week alone, Mr Reichter was approached by over 70 companies, and although the great majority could be weeded out at first sight, some lasted the distance. At the moment he claims to have about eight companies to have about eight companies. panies poised to join the USM during this year,

However, the investors' appetite for buying shares in US technology companies, especially given the terrible performance of UR technology stocks, may not be enough to ensure success-

This could be the cause of the fall in the price of Infra Red, a small high-tech company making small nightern company making infra red heat detectors. It joined the market in August. Since then its shares have fallen by some 20 per cent, despite having produced interim results in line with the profits forecast.

The most profitable for investors among the recent US entrants has been CVD, which since its flotation at the end of 1984 has put a considerable amount of time into keeping its uK investors happy. Like Infra-Red, CVD also makes infra red materials, and following a 160 per cent increase in profits last year, saw its shares touch more than twice their 105p issue

The enthusiasm of US companies has not been matched by a similar interest in the USM a similar, interest in the USM from Europe. This is partly because most countries have heen quick to take the USM's example and develop secondary markets of their own. Since the launch of the USM secondary or tertiary markets have heen established in Holland, Sweden, Denmark, France, Japan, West Germany and Norway.

So far only one Continental company has chosen the USM in preference to its domestic market. Investors in Technofan, a maker of cooling fans for alrcraft, may not be sorry that the success of France's second marche seems to have for estalled French companies from coming to the USM. Since its flotation in 1982, falling alrbus sales have had a ruinous effect on both profits and the share price, which from an issue price of £350 slumped last summer to a low of £90.

THE RIGHTADVICE -the key to any flotation

Whether you are heading for a Stock Exchange listing, for the USM, oc, as a younger company, for the OTC, how well your stock is received will. largely depend on how well you are advised on the form of Hetation, its price, timing and

presentation. As a specialist organisation, we are able to provide an exceptionally detailed service, precisely

tailored to your particular needs and personally supervised by one of our directors. To ensure the initial success of your issue,

we will appoint the team of stockbrokers, ountants and lawyers which complements

However, this is only the ginning of our service: for e believe a flotation should merely be the first stage in a long-term program of development, which we will help you plan and on which we will continue to advise throughout its implementation. To hear what we have achieved for other companies and to discuss what we could achieve for you, just



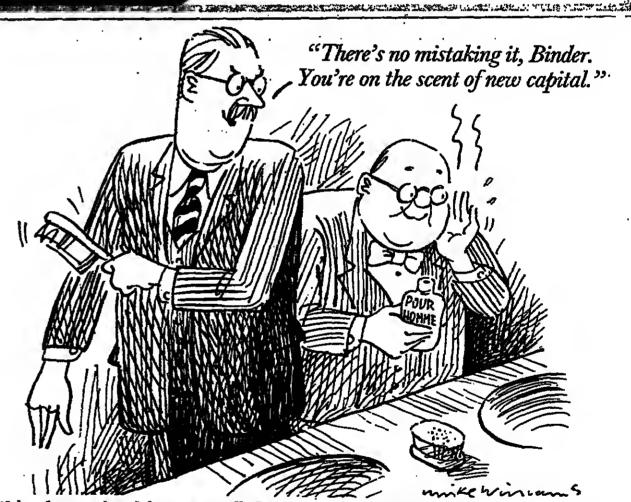
United Trust & Credit PLC

55 Grosvenor Street, London W1X 9DA.

Telephone: 01-499 0223







We've always enjoyed the sweet smell of our clients' success. And we'll go to great lengths to help them achieve it.

Take a certain wholesaler of toiletries, trading north of the Humber. Beset by narrow margins and widespread competition, he decided his salvation lay in diversification.

Our local partners held his hand during the entire operation, drawing up the first bank borrowing proposal and reassuring those cautious coves with forecasts and projections that further loans were in order.

Our client's steady expansion has led us to seek yet more capital. This wasn't the simple matter you might expect, because his current assets weren't as pretty as his profit record. Nonetheless, we sniffed out a promising

offer of risk capital, involving equity participation. There is, of course, a lot more to our

Corporate Financial Services than finding

bundles of readies. Our fragrant friend took on his first staff accountant a few months ago. Till then, we accounted for everything: from planning his

computerisation to doing the dreaded VAT returns.

But our purpose today is to emphasise our skill in tracking down capital from all sources, including the stock-market.

In choosing an accountant, you might, for instance, ask if he has access to a computerised database of all Government and EEC assistance. We found it very handy the other day in finding funds for a client relocating in Sheffield.

The knack in Corporate Finance is to look far ahead and far afield. And none are farther shead in the field than Rinder Hambur

| To: Ro Londo | dney Graves, Binder Hamlyn, 8 St Bride Street, n, EC4A 4DA. Telephone 01-353 3020. |
|-----------------|---|
| Before Name | I give you a field-trial, I'd like some further information |
| Comp | ny |
| Addres | s - |
| | Post Code |
| | BinderHamlyn CHARTERED ACCOUNTANTS |

London/Ayr/Bacup/Bath/Belfast/Birmingham/Bury St Edmunds/Croydon/Dublin/Enniskillen/Glasgow/Leeds/Manchester/Newcastle/Newmarket/Nottingham/Rochdale/Saltcoats/Sheffield/Stranraet/Telford/Wolverhampton/internationally Binder Dijker Otte & Co.

Cleves Investments Limited

Sixteen successful **USM flotations** in five years

Cleves Investments Limited was incorporated in 1971, and has been involved with the Unlisted Securities Market since its inception in November 1980. Since that time we have introduced sixteen companies to this Market, which together now have a Market Capitalisation approaching £200 million. In addition, we have successfully assisted some of these companies in their acquisition programmes and fund raising operations.

We are now a leading house in the USM Market, and pride ourselves in offering a highly specialised and personal service to our clients.

> If you are interested in hearing more details. please telephone us or write to:-Mr. Leonard Lee, Cleves Investments Limited, 61 Welbeck Street, London W1M 7HB Telephone: 01-486 3322



Cleves Investments Limited

LICENSED DEALER IN SECURITIES

All roads do not necessarily lead to the USM. ...so make sure you ask the right people for directions.

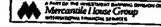
Laing & Cruickshank have successfully assisted growing companies, large and small, UK based and overseas, to join the Unlisted Securities Market.

They can do the same for you.

Ring Mark Evans, head of the Corporate Finance Department, on 01-588 2800 to arrange a convenient time for a confidential discussion about your company's prospects.



PIERCY HOUSE, 7 COPTHALL AVENUE, LONDON EC2R 78E TEL: 01-588 2800



CHARTERHOUSE TAPHET

Expertise in USM issues

Charterhouse Japhet provides a full range of merchant banking services to companies seeking a USM quotation.

For further information, contact: Robin Grant or Nigel Beevor (London) on 01-248 3999 or Colin Horan (Manchester) on 061-832 2234

Charterhouse Japhet plc

1 Paternoster Row, St Pauls, London EC4M 7DH A MEMBER OF THE ROYAL BANK OF SCOTLAND GROUP

No rush to seize opportunity created

Institutional **Attitudes**

RICHARD TOMKINS

INSTITUTIONAL investors seem to show a degree of am-bivalence in their attitude to-wards the USM.

On the one band they have seen at the forefront of moves to loosen up the restrictions on the extent to which they can invest in the junior market, but on the other they do not appear on the other they do not appear to be falling over themselves to take up the investment oppor-tunity they have belped create. In the market's early days there were severe constraints on some institutions' ability to in-vest in USM stocks. Such limi-tations have now here exact

tations have now been eased, hut a straw poll among the institutions suggests that some are cautious about the degree to which they want to become in-

Unit trusts are a case in point. Until a few years ago they were not permitted to invest more than S per cent of the value of any one fund in unquoted securities, but the advent of the USM in 1980 brought about pressure for change and in 1982 the limitation on USM investment was raised to 25 percent. cent. Hnwever, few, if any, finds have exploited this opportunity to the full.

Mr Richard Smith, the director responsible for UK unit

change to increase the USM in-

Profile: BLUE ARROW

"We have had a toe-hold in the USM since its inception, and when the rules were changed we

thought it would be sensible to lift the investment limit on one of our fonds, to increase our expertise in that area. But in the event Income and Growth has never had more than 10 per cent of its funds in the USM.

"Like everyone else, we have been very concerned about the marketability of shares in USM companies. Some of the com-

"I think the USM plays an important part in angmenting a portfolio, but is not suited to be its mainstay."

its mainstay."

Mr Smith is clearly not in a minority among twit trust fund managers, for although the offshore fund loophole exists for those who want it set up funds with a preponderance of USM stocks, only Britannia's Unlisted Securities Market Fund has exploited it.

Investment trusts have also seen a period in which they

Some indication of why this situation prevails comes from Mr Paul Manduca, a director of uche Remnant and manager of TR Trustees Corporation, an investment trust specialising in

The state of the s

smaller companies. Mr Manduca says that about 5 per cent of his UK portfolio is in the USM but that he has been shifting away from the market. "I think the USM was very attractive in 1981-83 when estab-

lished industries were going through the recession and the

turing companies seemed irre-versible. At that time people

were prepared to accept the high ratings which USM com-

very demanding. If anything, USM companies should be at a

discount to those on the main market because they offer likile

in the way of yield and are much more vulnerable to ad-verse economic trends."

"All sorts of weaknesses are

The severe constraints placed upon USM investment by institutions have been eased. However, the signs are that fund managers are still showing caution as to the degree to which they should become involved

panies are very good and we make a lor our of them, but we have never gone nverboard on USM stocks because very often the sponsoring broker is the only one following them and therefore the quantity of re-search is very limited.

"The small size of USM com-Mr Richard Smith, the director responsible for UK unit are going to have a terrific trusts at Henderson Administration, the investment management group, tells bow Henderson took advantage of the rule going to have to see the company to ingress the USM in the company of the rule going to have to see the company to ingress the USM in the company of the rule going to have to see the company of the rule going to have to see the company of the rule going to have to see the company of the rule going to have to see the company of the rule going to have to see the company of the rule going to have to see the company of the rule going to have to see the company of the rule going to have to see the company of the rule going to have to see the company of the rule going to have to see the company of the rule going to have to see the company of the rule going to have to see the company of the rule going to have to see the company of the rule going to have the rule going the rule going to have the rule going the rule going to have the rule going to have the rule going the rule going to have the rule going the rule going the rule going to have the rule going the rule g pany yourself, or at least its

have been restricted in their ability to invest in unquoted securities. Those formed after 1972 were restricted to an investment of 15 per cent of their funds, a limit which was raised to 25 per cent in 1981, largely because of the advent of the

Trusts formed before 1972 and those which are prepared to accept more onerous reporting requirements face no relarger investment trusts there is only one, Ivory and Sime's

exposed when the market goes against them because they bave less fat, less management ability and experience, and get squeezed by large suppliers."

Them are attractive com-By Frank Kane Paper chase yields "There are attractive com-panies on the USM, but small companies on the main market are often a better bet because you are starting with established companies on lower price/earnings ratios, higher yields,

vestment limit on its Income management, and there just which has developed a signifi-and Growth Trust to 25 per cent. is not the time."

straints on their USM involve-ment but are subject to the notment but are subject to the notmal laws of prudence and whatever in-house rules may apply.

Mr Brian Kirkland, assistant
director (UK equities) of Prudential Portfolio Managers,
says one area of USM activity
which he has cut back an is
taking quick profits from companies coming to the market.

"We have always looked at
the market on a long-term hadd. the market on a long-term band but we have also taken short term profits when opportunities

term profits when opportunities arose. Those opportunities hive virtually disappeared and we are only having stocks. waith we see as long-term lockstands." One of Mr Kirkland's assim concerns is about the role of the broker in supporting a company once the initial fluxry accompanying its flotation is over.

"Some companies come to the market on undemanding ratings and do reasonably well afterwards, but still their ratings fall away." be says. "What happens is that most of the shares end up in few bands and when other shares come onto the market, it is easier to push them towards existing shareholders than to sell them to a wider market."

We think brokers ought to port these companies' shares in the after-market by pointing ont their virtues in people who have not already gor holdings."

A more optimistic note on the USM generally is sounded by Mr John Stubbs, investment manager (UK equities) at Postel Investment Management.

Mr Stubbs echoes other institutional managers' worries over panies were attracting because they seemed to be in the in-dustries of the future." "Now, as some of those metal-bashing companies have re-covered those USM ratings look

tutional managers' worries over lack of marketshility, but feels there are gains to be made in the USM because this very lack the USM because this very lack of liquidity obliges companies to offer bigber rates of return.

"After Big Bang I can see this liquidity reducing still further, and the new environment will require more careful research because investors will find themselves leveled into find themselves locked into situations. But we want a presence in the USM because of its potential for higher returns over a period of time."

"We have maintained our interest in this market because it

and a management which has gives us the opportunity to in-been through the recession and vest in a number of small and potentially exciting situations which would not otherwise he companies face no legal con-

rich rewards

FRUSTRATION AND disappointment were the initial spurs to Blue Arrow's move onto the unlisted market in the summer of 1984. Tony Berry, the company's chairman and chief executive, has just seen his cash offer for a small service company turned down by directors who preferred a rival's paper. FRUSTRATION AND

"I went to the lawyer and told him I wanted to go public earlier than I thought," explains 44-year-old Mr Berry. His reaction is a good illustration of the way that Blue Arrow has used USM membership to build up its recruitment and contract service business into the nucleus of a comprehensive service company which, if all goes to plan, will soon offer security, catering and financial services and will more than double turnover by the end of

Mr Berry's 12 years at Brengreen, which he had belped bring to market taught him the necessity of being able to offer shares as part of any bid, and of the desirability of going for rapid growth via acquisitions rather than through organic expansion.
"I decided that the best way

to progress was to use the com-pany's paper to acquire busi-nesses, often private companies nesses, often private companies that were on the verge of a USM listing themselves. In many ways it was a short cut onto the market for them, and in effect we were offering them a partnership." Mr Berry states. It is a strategy which Blue Arrow has put to good effect since its flotation, and which has been bightighted by the rapid growth in the company's equity. Market capitalisation at the time of the company's 75p placing was a mere £3.1m, but



Brook Street Bureau. The company was acquired by Blue Arrow for £19m last October. Profits will not be consolidated until next year, when analysts believe the combined group will then have an earnings capacity of around £7m

stroke — the f19m acquisition of the prestigious Brook Street Bureau — the company was valued at some f43m. It is now near the £50m mark after steady increases in the share value to around 220p.

Io the same period the com-In the same period the com-pany's marketability has in-creased sharply. About 18 per cent of the total equity was placed in the original flotation, of which only 10 per cent were new shares. But the paper bon-anza since then has meant that and since then has meant that there is now 70 per cent of the shares on the market, mostly owned by institutions which have been encouraged by a string of optimistic brokers' reports and, no doubt, by the bullish Mr Berry himself.

placing was a mere £3.im, but following last October's master In addition to the Brook Street deal, which makes Blue Arrow the leading force in the UK staff recruitment market, with 10 per cent of the sector, last year also saw the £8m purchase of another private em-ployment agency. Reliance Service Group, and Blue Arrow's first venture into the contract cleaning field. It acquired two office and industrial cleaning contractors, both deals being financed by share issues. anced by share issues.

The large amount of paper on the market, however, does leave Blue Arrow vulnerable to a possible predator, and there have been rumours, mainly centred on Michael Ashcroft's acquisitive Hawley Gronp.

So far nothing has materialised, but unlike many other appearance who have

other entrepreneurs who have nursed their own corporate "baby" into maturity. Tony Berry does not balk at the pros-pect. "I've got no bang-ups about that. In any case, with our record the shareholders are not going to throw us out."

The company's record is very good inded. A year ago, in its first results as a public company, it easily beat the prospectus forecast, and this month will have no trouble achieving profits of £1.9m, against £411,000.

In price of the first form of the first first first results as a public company, it easily beat the prospectus forecast, and this month will have no trouble achieving profits of £1.9m, against when the move up does come, be will regard the time

at between 13p and 14p.

All this is without any conting into the big league. If you tribution from Brook Street. like, it represents lap one of which has an annual profit of the race — we're ready for lap around £1.8m but which will not two.

be consolidated until next year. The combined group then is well capable of £7m, say the

analysts.
It is the prospect for the 1987 year which is the main reason for brokers' confidence. By then the Brook Street inte-gration will be complete and the slimmed down division will be operating at around the mar-gins Blue Arrow expects from the rest of its businesses.

Tony Berry also bolds out the tantalising possibility of sales of £200m by then. This represents a more than 100 per cent increase from the present figure, and seems at first glance to be very demanding of the recruitment division. Recruitment cleaning at roughly £10m and the rest — business travel and financial services - chipping in

£5m or so. Mr Berry, however, forecasts that no more than half of the £200m target will come from employment services — he is adamant that the balance will be made up largely through acquisitions, especially in security, catering and financial

The eim is the "total services" group, which can look after all its customers peripheral requirements, from canteen facilities to pensions and insurance Recruitment will remain the major bread-winner, however

the labour market goes. The trend has been towards tem-porary rather than permanent placings, following the decline in manufacturing industry and the growth of services.

The service industries make up 70 per cent of all temporary

placings, which themselves are expected to eccount for as much as 80 per cent of the overall recruitment market in the near

Blue Arrow has anticipated the trend well, and is in a strong position to benefit from the expected hoom in temporary employment. The Conservative Government's relaxation of employment laws has also enpioyment laws has also en-couraged temporary working, but Blue Arrow would not be over-concerned about the pros-pect of a return to Labour— an increase in public sector spending would also be to its

The sort of expansion fore-seen over the next couple of years will take Blue Arrow out of the USM range, and Mr Berry of the USM range, and Mr Berry does not hide the fact that he is keen to get a full listing some rather than later. The Stock Exchange regulations, which require a five-year record of filed accounts, is the only thing bolding him back at the moment. He hints at a statement to accompany the interim results for the current year.

He also points to the advantnot going to throw us out." ages which he sees in a full listing — access to greater capi-

profits of £1.9m, against When the move up does come, be will regard the time spent on the past year will come out the sporting metaphor, he says at between 13p and 14p.

All this is without any of the come of the use of the sporting metaphor, he says the use of t

TO GET ON ON TO US.

If you are considering the USM, then you should be considering Phillips & Drew We have handled more USM flotations than any other stockbroker, and are ideally placed to provide expert advice and

assistance, both now and in the future. If you wish to look at the USM or examine the available options in more detail, make sure you consult a market leader in the corporate finance field. In other words, get on to us.

Please contact Martin Gibbs, FCA. at:

Phillips & Drew

120 Moorgate, London EC2M 6XP Telephone 01-628 4444 Phillips & Dreware members of The Stock Exchange

Pent, Marwick, Mitchell & Co. USM quarterly survey, September 1985.

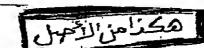
Corporate Finance? Talk to Stock Beech

We were one of the first brokers into the We were one of the first prokers into the USM. Already we've handled nine issues in many fields, with more on the way. We have full corporate finance services, and work in close liaison with our institutional, research and private

client departments. Talk to Piers Harford or Edmund Bruegger on 0272 20051.

Stock Beech & Co. STOCKBROKERS SINCE 1844

Wamford Court The Bristol & West 75 Edmund Street Invogmenton Street Bullding, Broad Guay Birmingham B33Ht/ Tel. 01-638 8471 Tel. 0272 20051 Tel. 021-233 3211



Unlisted Securities Market 7

Best and Worst Share Price Performances on USM in 1985

| RISES | | | FALLS | | | | | |
|--------------------------|----------------|--------------------------|-------------|---------------------|-------------|---------------------------|----------|--|
| Company | % change | Company | % change | Company | % change | Сотрапу | change | |
| Parkfield | 347 | United Packaging | 72 | Acorn Computer | 89 | Radio City | 59 | |
| Sanger Photographic | 238 | Flogas | 71 | Jebsens Drilling | 86 | Business Computers | 58 | |
| Invent Energy | 235† | Havelock Europa | 71 | Spectrum | 85 | Nimslo | 58 | |
| ISD Computer | 158 | Blue Atrow | 68 | Memeon - | 83* | Monument | 57 | |
| Willaire Systems | 157 | Sheraton Secs | 68 | Applied Botanics | 80 | Pineapple Dance | 57 56 | |
| Cannon Street | 131* | Consultants (C&F) | 64 | Xyllyx | 80 | Real Time | 56 | |
| Alida Holdings | 129 | Unibond | 63† | CPS Computer | 79 | HB Electronic | 56 | |
| EBC Group | 127 | Thermal Scientific | 62 | Castle (GB) | 78 | Air Call | 55 | |
| Breville | 125 † | City Site Estates | 60† | TDS Circuits | 78 | Rula | 55 | |
| Sunleigh | 125 | Brint Investments | 60 | Imtec | 77 | Memnos | 55 55 | |
| Microfilm Reprog | 124 | Saxon Oil | 59† | Entertainmnt Prod S | ys 74 | Ecobric | 54 | |
| Rayford Supreme | 116† | | 59 | Fergabrook | 74 | French Connection | 54 | |
| lan Leisure | 162 ` | Cramphorn | 58 | Memory | 73 | Norbain | 52 | |
| UDO Holdings | 102 | John Kent | 57 | Microvitec | 73 | Paul Michael | 52 | |
| Bluebird Toys | 98* | Charlie Brown | 55* | Assoc Energy | 70 | Checkpoint Europe | 52 | |
| Berkeley Group | 97† | FIL | 55 | Sapphire Petroleum | 70* | Consolidated Tern | 521 | |
| Mainment | 94 | Technical Component | ts 54* | Compsoft | 69 | Webber Electro | 51 | |
| Tops Estates | 9 2 | Steel Burrill Jones | 54† | Aaronite | 68 | Securiguard | 51 | |
| Technofan | 90 | United Ceramic | 53 | Synterials | 67† | SelecTV | 50 | |
| Polypipe | 84# | Spectra | 53 | IČC OʻI | 64 | Steaua Romana | 50 50 | |
| Body Shop | 86 | Stat-Plus | 53 | Pericom | 63 | Cifer | 50 | |
| Trade Promotion Sys | | Trencherwood | 53 | Plasmec | 62 | Petrogen | 50 | |
| Slaters Food | 74 | Howard Group | 53* | Intervision Video | 60 | William Bedford | 484 | |
| Andre de Brett | 73 | Metal Bulletin | 51 | Denmens Elec | 59 | Powerline | 48 | |
| Wm. Sinclair | 72 | Huntleigh Technolog | y 50* | Clogan Gold Mines | 59 | Ramco Oil Sys | 47 | |
| From entry. † To departu | re. Sour | ce: Hoere Govett | | | | _ | | |

Star performers quickly find themselves out of favour

Decline of the **Electronics** Sector

DEVASTATING bloodletting in the electronics sector was even more vicious on the USM than on the main market. High-flying electronics com-panies had been the star per-formers of 1883 and for much of formers of 1883 and for much of 1984, against a comparatively flat showing from fully listed industry cousins. In the second-half of 1984, however, share prices started to wilt, turning into a kamikaze-styled nosedive early in 1985.

Od the main market, the electronics sector rates as the worst

tronics sector rates as the worst performing industrial division in share price terms during the last 12 months. But in fact the warning signs were already flashing on the USM well ahead of the shakeout on the "big."
board." Acorn, a leading name
in the bome computer market
and supplier of the BBC educational micro, ran into financial 1984.

were specific to Acorn, it had unsuccessfully driven into the US market and withdrawn at a US market and withdrawn at a cost of many millions, but more generally Acorn's problems were the same as its rivals—most notably the unquoted Sinclair—the home computer market had turned sour. Nevertheless, a year ago many investors were willing to believe that fors were willing to believe that this was little more than a tem-

That was not the case. The difficulties of the home computer sector quickly spread to micros generally and in turn component distributors, some of which found themselves writing-off crippling had debte

US were investing heavily in capital equioment. The earnings to justify some exceedingly high p/e ratios awarded to UK manufacturers were simply never going to materialise and share prices of majors such as a market more than tide in 1985. share prices of majors such as Racal, STC and Thorn EMI suffered alongside the debacle

on the USM sector.

Seven out of the ten worst USM performers in 1985 turned out to be electronics/electricals

companies.

However, the computer sector is not an ont and out battlefold strong with computer hardware companies may pre-Acorn must rate as one of the real disasters of the USM in its five-year history. Its market capitalisation at issue was E135m and by May 1984 that E135m and topped £200m. That was before financial chaos 28 USM computer stocks at the struck, and Olivetti had to res-

Given the shake out in electronics, it is perhaps surprising that the USM as a whole did not underperform the main stock market by more than it did last year. Seven of the USM's worst ten performers in 1985 came from the electronics sector.

cue the company twice within mosths, ending up with almost 80 per cent of the equity. Acorn's market value at the end of the year was barely £30m with the shares at 40p, standing 650p off the year's high point. Yet Acorn is perhaps no more than an excessive example of ware. The £12,000 invested in than an excessive example of the change of perception within the City towards high-techno-

ware, The £13,000 invested in 13 software companies would have more than doubled in value to £27,362, in spite of some set-backs in recent months, but backing the distributors and hardware companies would have lost the investor money.

the rest showing a dreadful per-formance. And with the smaller companies coming under increasing pressure from industry leaders such as IBM, the only sensible option would seem to be for the hardware groups to concentrate on niche markets where they can provide value

sent some opportunity to pick up stocks with recovery potential hut for the present, Alphameric sticks out as a safer although not cheap — play. The company has made its mark manufacturing custom-made keypads and terminals and its recent success is based on its shift from being a basic manu-

facturer to a systems engineer.

In the City, Alphameric will
be best known as the manufacturer of the pads for use with
the Topic service, the Stock Exchange news service. But its exposure is much wider—it has supplied systems for Ford's vehicle distribution network and foreign exchange dealers for example. And the move into France is potentially rewarding as the country lacks an indi-genous keyboard manufacturer.

The distributors generally came a cropper as a result o product over-supply which caused a contraction in margins as larger competitors put on a squeeze and high street re-tailers used their huying power further to depress prices. Specialised distributors, how ever, fared better with North-amber, which has recently moved up to a full listing, stand-

ing out. In terms of relative share price performance, the soft-ware and service houses put up a mixed bag over the last 12 months but still they remain the

most successful area of USM quoted computer companies. Indeed, in a USM league table for 1985, most of the elecshareholders faced one discributors. Some of which found themselves writing off crippling had dehts against manufacturers. The fall from favour of core problem of the whole electronics. In October 1984 the USM Electronics division just dawning in the early months of 1985, was that overproduction throughout a wide soread of product areas was eroding profit margins.

And this was no temporary hurdle; the giants of the world electronics in Japan and the state of the world electronics in Japan and the state of the world in turn appointment after another.

Figues compiled hy brokers appointment after another.

Figues compiled hy brokers though one appointment after another.

Figues compiled hy brokers though of the state of some another.

Figues compiled hy brokers though of the state of some another.

Figues compiled hy brokers though of the state another.

Figues compiled hy brokers though of the state of some another.

Figues compiled hy brokers though of the state of some another.

Figues compiled hy brokers though of the state of some another.

Figues compiled hy brokers though of the state of price performance, occupying much of the bottom end. But there was one among the hardware companies tooks would have dropped in value to £3.775, a fall of 37 the bottom end. But there was one among the hardware companies tooks would have dropped in value to £3.745.

The £6,000 invested in distributors.

The £6,000 invested in

If you are considering entry to the USM, why not talk to someone with first-hand experience:-

Eric Morley at Miss World Group PLC Telephone: 01-734 9211

David Gee at Gee/Rosen Organisation PLC Telephone: 01-575 7575

Arun Shah at Pepe Group PLC Telephone: 01-451 2155

Michael Summers at The Sterling Publishing Group PLC Telephone: 01-258 0066

Bill Speirs at Technical Component Industries PLC Telephone: 0246 451818

All of these were advised on their entry to the USM by Industrial Finance and Investment Corporation PLC, which gained its first-hand experience when it brought itself to the USM in November 1982

Contact Christopher Norland or Roger Looker at:



INDUSTRIAL FINANCE AND INVESTMENT CORPORATION PLC Well Court House, 8/9 Well Court, London EC4M 9DN Telephone: 01-726 4841



nputer supplied by Acorn, which ran into financial difficulties towards the end of 1984.

PLAN NOW FOR THE

Let Deloitte Haskins & Sells help you avoid the pitfalls and maximise your potential.

THE PITFALLS

- Waiting until you're the "right size," but missing the full potential of flotation.
- Lacking the best advice on profit and tax-planning for your business.
- Paying a lot more personal tax than you need.
- You could give away more control of your company than is necessary.

HOW TO AVOID THEM

- Talk to us as soon as possible. Two years ahead of launch if you can.
- Benefit from our experience in helping other clients with successful flotations and from our proven skills in corporate finance.
- The experts in our Personal Financial Planning Division will identify all the opportunities to maximise your personal wealth.
- We will ensure that the flotation benefits your business and your family together.

For a copy of our booklet on the USM, or for an initial consultation (free, totally confidential, and without obligation) or for both, simply send the coupon. You'll find that we can work effectively with your own accountants—combining our USM experience with their detailed knowledge of your business.

| To: Graham Cole, Corporate Finance Division, Deloitte Haskins & S London EC4M 7BL. Tel: 01-248 3913. | Sells, Hillgate House, Old Bailey, |
|---|------------------------------------|
| Please send me a copy of your USM booklet. | |
| Please arrange a free consultation to discuss a USM flotation, and a show Please let me know of appropriate seminars. Name | ving of your USM video. Deloitte |
| Position | - Ucalvina Calla |
| Company | Haskins+Sells |
| Address | PROFIT FROM OUR SKILLS |
| Postcode | |
| | |



More than 450 millionaires created so far on the USM. Almost every week you can read about yet another businessman becoming a millionarie by launching his company on The Unlisted Securities Market. It all seems so easy...but it isn't! And you need to start planning several years ahead.

What regulations do have to comply with? How will you find the right broker or Merchant Bank to sponsor your issue? When should you seek a quotation? Will you go for an Offer for Sale or a Placing? What will be your personal tax position? What percentage of your shares should you offer? And at what price?

The answer to all these, of course, is to get specialist advice - now. Advice from someone who not only knows the USM inside out, but, more importantly, who thinks as a businessman. Someone who understands your position and talks your language. Someone, in fact, like us.

Since the establishment of the USM five years ago, we bave specialised in advising a great many people in precisely your situation. We've been closely involved with numerous successful flotations. We are acknowledged as one of the most experienced firms of Chartered Accountants in the field. We can help you. Contact us to discuss your future plans.

As a first step, get a free copy of our booklet 'The Unlisted Securities Market - an Opportunity for Growing Companies'. It will tell you a lot about the USM, and a little about ourselves.

01-353 8011, or just return the coupon.

Call Tony Herron on:

Touche Ross

NABARRO NATHANSON

FINANCE

LAWYERS

Over 400 companies have floated on the Unlisted

Securities Market since its introduction in November

1980, amply demonstrating its strength and potential.

Nabarro Nathanson, one of London's major law firms.

is actively seeking to recruit additional lawyers of outstanding ability to join its expanding USM and

corporate finance department.

Applications to John Hare FCIS, Partnership Secretary.

Nabarro Nathanson

76 Jermyn Street, London SW1Y 6NR

Telephone: 01-930 8444 Telex: 8813144 NABARO G

Fax: 01-930 9930

USM?

Enlist us.

If getting a USM listing is part of your

We are a leading USM sponsor and are

plans it is not too soon to seek advice.

companies. Furthermore, as a vastly

our Corporate Finance Department.

committed to helping smaller developing

experienced merchant bank, we are able to

offer you a wide range of capital raising and

management advisory services vital to your

success before, during and after your listing.

Nicholas Craig Harvey or Jeremy Gilbert of

HAMBROS BANK LIMITED

41 Bishopsgate, London EC2P 2AA

Telephone: 01-588 2851

For further information please contact

HAMBROS

and the second of the second
Unlisted Securities Market 8

Love affair loses some of its ardour

Peoples Business TERRY GARRETT

THE CITY'S love affair with peoples husicesses quoted on last year. The change of heart was not the traumatic bust-up that some observers had predicted, but over some months investors came to realise that companies they had believed to be the most glamorous members of the market actually had the odd wart or two to mar their beauty. The average rating is still well in excess of the market generally but nowhere near as high as it was

The peoples business sector of the market is in fact fairly of the market is in everything diverse, taking in everything from sales promotion, through design, to financial public relations. But all the companies have a common denominator— at the end of each day the assets walk out of the door.

There are two basic reasons why the City's artiour has cooled. A host of new entrants have arrived over the past 12 months. As the accompanying table shows, 11 out of the 17 companies listed have joined the USM in 1985. Taking the main market and the USM together, the oumber of com-panies available to investors has jumped from 16 to 29. That has obviously had an impact on the rarity value of individual com-panies, and ratings have panies, and rati suffered as a result.

The other important factor served up several disappointments in one shape or another. Although on the main market. the executive upheaval at Good Relations (GR) clearly pin-pointed the inherent weakness of any peoples busioess — a fact that should have been fairly obvious to anyone working in the City. The ability and desire to move on to new pastures does not evaporate as you bead westwards past St Pauls.

Mrs Maureen Smith, who had just moved up from managing director to deputy chairman at GR, suddenly announced her departure at the end of August and that she had sold her entire 11.6 per cent sharebolding The departure of other execu-The departure of other executives and the large number of activity: advertising, sales prodefections from the City PR motion, market research, public team did little for the group's relations and design. Many of reputation, in the market in the quoted companies can particular, but more geoerally rightly claim to have several of the uncertainty experience high these activities under their the unsettling experience high these activities under their lighted what could bappen at umbrella but for the City,

There was some bad news from the USM companies as vell. Among the small hand of ales promotions companies, KLP, one of the oldest inhabi-tants of the USM's peoples husinesses, saw its shares take a battering last summer when it announced that Asda, one of its most important clients, was taking it to court.

The news came at the same time as some flat interim results. Despite the company's assertion that Asda would not win its case and that the cost of aggressive expansion was the reason for the dull trading performance. KLP's market value still fell by £3m in a single day. Last August, Cratoo Lodge

Last August, Cratoo Louge Knight, a product development agency, forewarned that its profits for the year ending the following month would befollowing month would be little different from the previous year's £484,000. Delays in starting a number of major assignments and reorganisations within client companies had led to a shortfall in revenue. The shares slipped below the previous year's placing price. Those specific difficulties set investors thinking about the

People's businesses sector of the USM

| Соправу | Activity | Joined USM | Year end | Price* | High (p) | Low (p) | Mikt. CAP (Em.) | Profit (fm) | p/e | |
|--------------------|---------------------------------|---------------|-------------|--------|-------------|------------|--------------------|----------------|--------|--------------------------------|
| Addison Page | Recruitment, design, PR | 1/85 | 12/84 | 200 | 280 | 190 | 32.5 | 2.0 | - 39 - | 2.2 |
| Crin Lge Kent | Product development . | 10/84 | 9/85 | 120 | 195 | 65 | 6.8 | - 0.5 | 24 | |
| CPM | Sales promotioo | 1/85 | 12/84 | 128 | 135 | 125 | 13,1 | 0.4 | | |
| FKB | Sales promotion | 7/85 | 2/85 | 153 | 192 | 150 | 13.6 | 0.5 | 27 | |
| Holmes and Mrch | Promotions, graphics | 6/85 | 9/85 | 418 | 443 | \$10 | 16.7 | 1.0 | 26 | 0.7 |
| John Michael | Design | 7/85 | 3/85 | 60 | 72 | 46 | 4.2 | 0.6 | 13 | |
| KLP | Promotions, design | 6/83 | 9/84 | 270 | 395 | 255 | 13.2 | 8.0 | 26 | 1.4 |
| M. Peters | Design, displays | 10/82 | 6/85 | 168 | 280 | 168 | 10.4 | 0.9 | 16 | 2.2 |
| Millward and Brown | Market research | 11/85 | 3/85 | 170 | 170 | 165 | 10.2 | 9.5 | 27 | سی ن ۱۰ - ده درهاردی |
| Moorgate | Marketing, advertising PR | 4/85 | 12/84 | 108 | 189 | 107 | 5.4 | 0.3 | 25 | |
| Moss Advg | Advertising | 7/85 | 8/85 | 95 | 107 | 83 | 3.6 | 0.4 | 13 | |
| Promotion House | Promotions | 8/83 | 12/84 | 23 | 37 | 21 | 5.6 | 0.7 | 10_ | 4.3 |
| Sbandwick | Advertising, PR | 10/85 | 7/85 | 171 | 192 | 168 | 7.3 | 0.4 | 21_ | |
| TMD | Media specialist | 11/85 | 8/85 | 120 | 126 | | 6.5 | 0.5 | 22 | - |
| Trade Promotions | Exhibitions | 9/84 . | 4/85 | 136 | 344 | 77 | 7.7 | 8.9 | 14_ | 3.9 |
| Valin Pollen | Advertising, design, PR | 1/84 | 9/85 | 480 | 670 | 330 | 20.2 | 3.1 | 34 | 3,6 |
| Yellowhammer | Advertising marketing | 7/85 | 3/85 | 118 | 137 | 117 | 12.2 | 0.7 | 24 | 0.7 |
| * Mid Tannary Red | inc are haced many last reports | 2 Same | | | | | | | | |

The decline in share prices of peoples businesses has come against a background of buoyant industry conditions. Unlike the slump in the electronics sector, it has been a change in City attitudes rather than a change in fortunes that has sparked reratings.

possibilities of disappointments the development of Saatchi and one that up to now most from other companies and saatchi has opened a lot of componies have been content to handle in-house.

LK advertising expenditure

Nevertheless the specialist The other important factor is that shareholders have been served up several disappointments in one shape or another. Although on the main market Capei, the reaction was over-

> And, as he is quick to point And, as he is quick to point out, the relative decline of share prices for people's businesses came against a harkground of buoyant industry conditions. There are no similarities with electronics, for example, where share prices have rightly tumbled lo reaction to a very difficult trading environment. A change of City attitude, rather than a of City attitude, rather than a change is fortunes sparked the re-rating.

The sector can be broken down into five categories of activity: advertising, sales proadvertising is perhaps the most understood area of operation, if only because the analysts have been looking at it longer-

UK advertising expenditure has been growing rapidly in recent years. From 1980 to 1984 expenditure climbed from £2.6hn to £4.1hn. Full figures are not yet compiled for 1985 but the television and press parts saw the growth of around 9 per cent to £3.5bn and industry experts expect the total to come out at around £45bn while forecasts for this year suggest real growth of 4 per cent for a total monetary spend of £5bn.

The industry is no longer so cyclical. Companies which cut their advertising budgets during the 1974-75 recession found market share lost and it proved expensive to regain. Few repeated that mistake during the 1980-81 period although it is true that advertising generally, and especially on television, is related to corporate profit, ahility, and any major setbacksin the future would dent the ageneies' earnings.

For the independent ageoeies, and the stock market, the most excitiog area for growth is sales promotion. As a sector it is a

Nevertheless, the specialist agencies are making their impact. So far they have about 7 per cent of the market-put at £5.5bn last year, £1.4bn more than advertising - while the agencies have around 95 per ceot of the advertising market.

sales promotion growing but the agencies' share is also expanding. As with design, companies are coming round to the notion that employing specialists can prove highly rewarding in terms of gener-ating fresh approaches. Sales promotion, according to Paula Shea, an analyst with Capel-Cure Myers, is now being regarded as an increasingly important "fifth arm" to merketing and one deserving of a more sophisticated approach; good news for the sophisticated.

An idea of how fast some of the new entrants are grow-ing is provided by FKB Group. It started life in February 1982 when Briao Francis. Christo-pher Killingheck and Duocan have expanded from £40,000 pre-tax in the year to March 1983 to £359,000 for 1984-85. This year the group could turn in around £1.4m.

Design is a highly frag-mented market without indus-try figures to substantiate growth arguments. Never-Never- own for making the move.

theless, it is undoubtedly a rapidly expanding market da manufacturers and retailers realise the potential of good designs to promote their products and services.

Vield

It is a sector slightly less mature in stock market terms, but showing good progress with companies like Michael Peters concentrating on pack-aging, John Michael making its oame in retail and Addisoo Page in graphics design.

As the table on this page hows, Addison Page dominates the USM's peoples business sector in terms of market eapitalisation. The group was formed just over a year ago with the merger of Addison Communications; embracing a spread of activities from design to financial PR, with Michael Page which is a specialist pro-fessional recruitment service concentrating on middle man-agement for the accounting and financial service industries.

Market enthusiasm after the merger pushed the shares ahead too far. Inevitably there was a counter reaction later in the year and the shares, at 200p, are fairly close to their low point.

Yet if the profits momeotum of 1985 (the figures are due in March) is carried through to the current year the market is looking at a p/e that falls to 18 and then 12 prospective inst about level with the All-Share Average: That "gives some idea of how "realistic" ratings have become for some of the marketing companies.

However, even if the ultra glamorous ratiogs have become a thing of the past, companies will still flock to the USM and the main market. Apart from founders, a full listing or quote on the USM raises an agency's visibility. Time and time again executives have experienced a sharp increase in new business once their company has the "respectability" of a quote a good enough reason on its

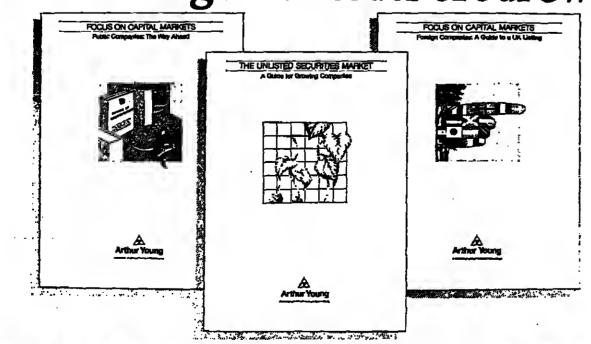
Michael Page of Addison Page, which dominates the USM's

BYATT MICHAU & SMART

SOLICITORS

37-39 HIGH HOLBORN LONDON WCIV 6AA Telephone: 01-430 1661 Telex 28145 BMS G Fax Groups 2/3 01-430 0380 DX 231 LONDON

To help you get on the USM we're offering a few issues of our own.



If you're thinking of going public, we have a number of free publications you should be interested in.

Since the USM started, we've helped many companies fulfil their ambitions.

Our three guide books provide you with all the background information you need to ensure a successful flotation.

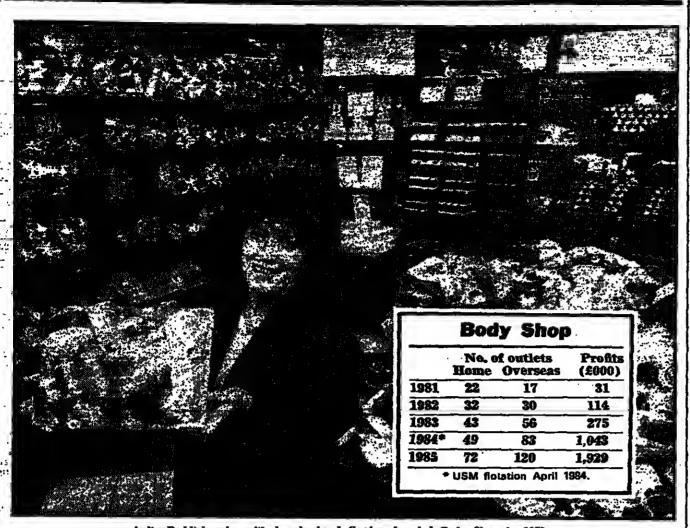
They are (1) The USM: A Guide for Growing Companies, (2) Public Companies: The Way Ahead and (3) Foreign Companies: A Guide to a UK Listing.

To get hold of one or more, simply send off the coupon.

Supplies will be limited, so apply while stocks last.

To: Richard Findlater, Arthur Young, Rolls House. 7 Rolls Buildings, Fetter Lane, London EC4A INH. Please send me my FREE copy of 10 . 20 3. 🗀 Tick requirements I would like to discuss the USM further [Company. Day Tel No. **Arthur Young** Your neart good idea Management Consultants, Tax Advisors

Unlisted Securities Market 9



Anita Roddick, who with her husband Gordon founded Body Shop in 1979.

Profile: BODY SHOP

AG COR TEALS

ades Mag

By Frank Kane

The beauty of organic growth

placing, currently trade at well above tha 800p mark, having briefly touched 850p. Earlier this mouth, in its first full year on the market, it reported an 86 per cent profit rise to just ander £2m on turnover of £9.4m —an exceptional margin for the stores sector.

But Body Shop is no ordinary store. Founded in 1976 by Gordon Roddick and his wife Anita, it hit upon an elusive commercial concept, the genuine niche market, and proceded to develop it via the then unorthodox method of franchisting.

The result was a fashion fad. with staying power, a very rare thing indeed.

Like all good ideas, the initial concept was so simple that you now wonder why hobody had previously thought of it. Anita Roddick looked at cosmetic prodncts, and realised that a large part of their costs were incurred in producing expensive dispos-able wrappings and containers. In addition, the products them-In addition, the products themsolves were almost entirely man-made and synthetic, at a time when beauty conscious women were becoming aware of the animal experimentation lobby and of the move back to nature in foods and health products. Producing naturel products in cheap refiliable and synthetic, at a public listing.

By 1984, Body Shop was ready deliberately undepriced. CapelGordon Roddick is explicit about the reasons for seeking a pointed out that a lot of analysts had thought the placing p/e of by the advantages of a high products. Producing natural products. Producing natural products in cheap refiliable

BODY SHOP International has been called the beauty queen of the USM, and with good reason. The company's shares, priced at 95p in the April 1984 Brighton, the total number of rent on a leasehold basis rather or than the company's containers made both commertable who would have shown us the door a year before." It has also been company policy to rent on a leasehold basis rather or than the down the company's cial and ecological sense.

The formula was an instant success. From the original store in Brighton, the total number of outlets mushroomed to a nation-wide chain of 43 shops at the time of the placing, with a further 56 shops overseas in 16 countries. In the five years from 1979, profits grew ten-fold.

who would have shown us the door a year before." It has all door a year before. It has a least hold basis rather than the down the company's cash in property. The market greeted the new stock rapturously, doubling its value in the first week's trading, and prompting the odd com-

Like all good ideas the initial concept was so simple that it was surprising it had not been thought of before. A thin market in the company's equity and bid rumours have helped keep the share price on an almost unbroken upward course.

helped to keep the share price rising in an almost unbroken spiral, Soon after the USM placing, there were rumours that here was a bid in the offing, with two tobacco companies, Gallaher and BAT, the prime candidates—incongruous suitors for a health conscious, ecologi-cally minded concern. The rumours came to nothing.

There was also the fact that the Roddicks had taken pre-cautions to ensure that a hostile bid was well-nigh impos-sible, with 38 per cent of the equity in their hands and a further 7 per cent or so re-served for the franchisees that

run the stores.

This situation persists today, and while it has the advantage of making Body Shop virtually bid proof it also makes for an extremely thin market in the shares, bringing with it its own problems.

Any large deals will have a disproportionate effect on the price — a desirable thing when times, as now, are good, but any setback could send the share price into an uncontrollable dive. It is partly to guard against this that recent results were accompanied by a 100 per cent capitalisation issue.

The market has treated the company well, and Gordon Roddick has no doubts about the advantages the quote has brought. "We have become far more professional," he says. "One of the benefits of the USM is the high quality of pro-fessional advisers that we've used and who have helped us grow, from merchant bankers to brokers to auditors. After-care is the important thing once the listing is obtained — it is important to choose people who can give sound professional advice."

Body Shop has not been tempted to use its USM paper for acquisitions, but given its track record there has not yet been any need to go for growth via this route. Appropriately enough for its image, the company has been quite capable of organic growth at a fast rate.

It is a record which Gordon Roddick hopes will eventually attract the institutions, up to now conspicuously absent from the share register. "They've tended to view us as a bare today, gone tomorrow outfit, but as they see our results and our progress I think they will purchase our shares. They are beginning to realise that we are here to stay."

Institutional support would Institutional support would also be invaluable when the company moves to the full listing on which it has definite designs. The Roddicks regard the move as a logical progression, "inst part of the process of growing up," though they decline to set a firm date for the graduation.

Some analysts are plumping for an announcement to coin-cide with the interim figures next summer, but this may he premature. When it does happen, the company will he con-fident cough to embark on the acquisition trail at last.

For the moment, however, it is content to remain a well-run and highly profitable business. Plans are well edvanced for a move to bigger warehousing premises next June, with enough capacity to service up to 500 ontlets, compared with the current figure of 190. Expansion overseas is also set to con-tinue, with the opening of production facilities in Toronto

It is an enviable position to be in, as Gordon Roddick is well aware. "Of course, you always but I'm pleased to say that it's hard to see any competition,"

How to select the best way toraise capital for your compar

If you are running a successful small to medium sized business and you are reading this supplement, you may well be considering extra capital for your company.

Alternatively you may wish to capitalise on your success so far by selling an equity stake.

There are now so many more avenues open to you, which one should you take?

Should you aim for a listing on the USM? Or should you delay and seek a full

Stock Exchange listing later?
Or what about the Business Expansion Scheme and the tax advantages it offers investors?

You can spend so much time investigating the possibilities that you don't spend enough time running your business.

We have produced a booklet to help you resolve some of these questions, called 'Raising Equity Finance'

It explains in readily understandable language the pros and cons of the various methods of raising capital for your company.

We feel well qualified to write it because we specialise in providing a full range of accountancy and consultancy services to businesses of all types and sizes and our experience includes bringing companies to the Unlisted Securities Market.

With twenty partners, we're small enough to give you a very personal service and you won't find you're dealing with new people every time you meet us. With nearly two hundred staff we have the resources to provide the full range of services.

If you would like to take the first step towards a better capitalised future for your company, why not send for your copy of 'Raising Equity Finance' now. Simply return the coupon or write to the address below. Altérnatively please phone Peter Catto or Geoff Barnes on 01-637 2561.

| CHARTE | ON BECKMAN. RED ACCOUNTANTS, een Anne Street, London WIM ODA. |
|--------------------------|---|
| Please sen Equity Fin | d me a copy of your booklet: 'Raising ance! |
| Name | |
| Position_ | |
| Company | Name and Address |
| | Post Code |
| Type of bu | siness |
| N | lo. of employeesTel. No |
| す | Casson Beckman |



Don't forget the importance of Corporate Presentation when you're considering a listing! What better time to think afresh about your image?

Your company's progressive approach must be seen in its true colours, reflecting a corporate consistency, a style targeted accurately at your customers, your staff, suppliers...and now shareholders!

At McCoil's we can design and produce all forms of Corporate Communications for you, including...

Corporate Identity

Brochures **Annual Reports**

and Accounts **Employee Communications**

Prospectuses

Advertising and **Promotional Material**

You'll receive a total corporate mesentation package that complements and confirms your intended position in the market Come and talk to us

let us discuss the options we offer to assist you to get it right! Phone Stephen Goy or Gordon Watson on 01-935 4788.

MSCOLL

STEWART McCOLL ASSOCIATES PLC 04 Wigmore Street London will 9DJ Telephone 01-935 4788 Telex 27392 SMCOLL



Price Waterhouse has the USM taped.

At Price Waterhouse we are very excited about a video that we have produced on the Unlisted Securities Market in conjunction with the Institute of Chartered Accountants in **England and Wales.**

It gives a frank and lucid account of the road to the USM and will help you decide whether your company measures up.

Our team of experts will be delighted to give you a free viewing and, by adding their experience to yours, make possible a new focus on your business and its capital needs.

We think you'll be surprised at the range of talent and experience they bring to the USM and their ability to see things through your company's eyes.

Certainly, they are keen to come and see you. So please don't hesitate to invite them.

To arrange a video presentation just telephone Tom Wilson or Mike Hallissey on 01-407 8989, or simply post the coupon. It should be a capital move.

| To: Tom Wilson, Price Waterhouse, Southwark Towers, 32 London Bridge : Telex: 884657. Please arrange for me to view the video on the USM. | Street, London SEI 9SY |
|--|------------------------|
| NAME | |
| COMPANY | |
| POSITION | |
| ADDRESS | |
| | |
| Price Waterhouse | |

error and the company of the company

WOULD YOU LIKE TO GET INVOLVED IN HIGH RISK-HIGH REWARD VENTURE CAPITAL, BUT DON'T HAVE THE TIME OR

Have your broker look at HIGH TECHNOLOGY CAPITAL CORP. WOULD YOU LIKE TO HAVE PURCHASED FOR \$.001 (ONE MIL) MAXAXAM CORP (MXXM) NOW TRADING ON NASDAO AT \$5.00 BID ? High Technology Capital Corp. purchased 3,200,000 shares of Maxazam in 1983 for \$3,200, now worth \$16,000,000. Have your broker look at HIGH TECHNOLOGY CAPITAL CORP.

HIGH TECHNOLOGY CAPITAL CORP is a U.S. Business Development Company registered under the U.S. Investment Act of 1940 which specializes in seeking out and originating high rick business ventures in

HIGH TECHNOLOGY CAPITAL CORP started in 1983 with a net asset value of \$.001 which at November 30, 1985 had risen to \$1.35. An incredible increase of 13,500% in less than 3 years.

If you are a broker seeking to participate in venture capital arrangements, or if you are an investor or entrepreneur seeking venture capital, contact: HIGH TECHNOLOGY CAPITAL CORP. 2135 Summer Street • Stamford, CT 06905 U.S.A. (203) 323-7773

HOW TO GO PUBLIC

Which course to take - Over the Counter, USM or Full Listing? A seminar to be held in March will provide invaluable access to expert advice on this complex question

Organised by Hazlewoods, a prominent independent firm of Chartered Accountants, in conjunction with a leading form of Stockbrokers, Merchant Bankers and Solicitors, this seminar is a must for any company contemplating going public.

Full details of the seminar are available from: Hazlewood & Co. Chartered Acco Windsor House, Bayshill Road, Cheltenham GL50 3AW, Tel: Cheltenham (0242) 37661

U.S.M. FLOTATION

Then stay close to a small firm who have experience in this area. We offer professional advice and personal service to companies preparing for the

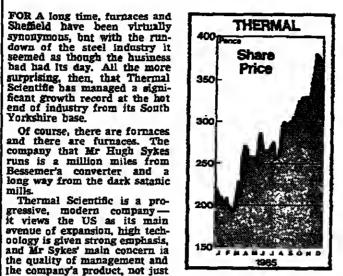
Contact Edmund Barber

on 01-379 7711

Barber & Co. Chartered Accountants

17/18 Henrietta Street

Covent Garden London WC2E 8QX Telex: 266489 Norlex G



Profile: THERMAL SCIENTIFIC

price/earning ratios and profits.

halfway stage in the current 12 months. Analysts are look-

ing for just short of £3m for the full year for a p/e ratio

of well over 20. This is no mean feat for an organisation with an

Mr Sykes has no illusions

about the driving force behind Thermal Scientifle's rise. "It's all about strong management and team-work. If you don't keep management on their toes.

you'll come to grief," he says.

He speaks with a good deal of authority, having enjoyed senior positions with several large public companies, includ-

ing GEC and Bath & Portland. The experience enabled him to

build np the network of managerial contacts that he has

have come to the USM. Thermal Scientific was too small to

contemplate a full listing, and

to remain private was really no option at all. Sykes was deter-

five major purchases since the flotation and a rights issue for

unfashionable product.

Eyes set firmly

across Atlantic

Not that profits have in any way lagged since the company's USM placing in July 1983. They topped fim in the 1984-85 year and beat that figure at the £6m last summer. Total spending on purchases so far totals more than £13m, not had for a company showing net current assets of £4.5m in its last accounts.

The most interesting angle to the expansion has been the increasing tendency to look across the Atlantic The purchase of Betol, a plastic extrusions concern, was complemented by the acquisition of Rillion Extrusions—another American business. The trans-Atlantic slaut has meant that, of the company's total turnover of £7.7m, less than half came from the UK, with North America the second largest contributor last year. In 1984 Thermal Scientific had no husi-

The trend is set to continue, with rumours of another American purchase at around the £5m mark in the near future,

used to good effect in the creation of this present venture. As with most companies that The USM status has undoubtedly helped in the acquisition stakes, "It was a problem at first to convince people that we had something," says Mr Sykes, "and without the listing we would have had mined to go for expansion via to have gone very slowly acquisitions, and for any bid to be eredible he needed paper. It is not considered the quote has enabled us to achieve our expansion. This has been well used, with plans."

Frank Kane

TOP ADVISORS TO USM ENTRANTS

FLOTATIONS BY BROKERS FLOTATIONS BY SULE FLOTATIONS BY REPORTING
ACCOUNTANTS FLOTATIONS BY SPONSORS Simon and Coates Phillips and Drew Peat Marwick Simon and Coates Phillips and Drew County Bank Capel-Cure Myers Capel-Cure Myers Arthur Andersen Deloine Haskins and Sells Laing and Cruicksbank Hambros Bank Laurence Prust Ernst and Whinney Grieveson Grant Samnel Montagu Laing and Cruickshank Barclays Merchant Bank Laurence Prust L. Messel de Zoete and Bevan Price Waterhouse 11 11 10 10 Coopers and Lybrand KMG Thomson McLintock Rowe and Pitman Fielding Newson-Smith Arthur Young Binder Hamiyu Hill Samuel Hoare Govett Schaverien Schaverien Margetts & Addenbrooke Smith Keen Cutter Kleinwort Benson Le Mare Martin Thornton Baker Stoy Hayward Pannure Gordon Smith Reen Cutter Spicer and Pegler Margetts and Addenbrooks Robson Rhodes Tring Hall Stock Beech Stock Beech James Capel
Le Mare Martin
W. Greenwell
Albert E. Sharp Pannell Kerr Forster Dearden Farrow Ball Baker Leake Greene Fielding Newson-Smith L. Messel Neville Russell Hacker Young Statham Duff Stoop Northcote Charterhouse Japhet Quilter Goodison Cape and Dalgleish Quilter Goodison Greene Saffery Champness Simmons Cohen Fine Henderson Crosthwaite Cooke Lumsden Sternberg Thomas Clarke Longerofts Rawlinsons Robert Fleming J. and E. Davy Hichens Harrison Leigh Carr Auerbach Hope Alhert E. Sharp Hill Woolgar Laurie Milbank Henderson Crosthwaite Berke Cohen Fine Statham Duff Stoop Strauss Turnbull Dias Goodman Datton Moore Cooke Lumsden Allied Irish Inv Bank Laurie Millhank James Capel Heseltine Moss Farmilpe

Morgan Grenfell

Grieveson Grant

Fiske Hoare Govett

102 Others

de Zoete and Bevan

E. B. Savory Milln

Earnshaw Haes Hichens Herrison Parsons E. B. Savory Millin Sheppards and Chase Scringeonr Vickers Resettine Moss Wood Mackenzie Fiske

the state of the s

Herbert Smith 46
Clifford Turner 42
Nabarro Nathamen 35
Nrin Rose Botterell & Rocks 26
Travers Smith Braithwake 23 Slaughter and May Asherst Morris & Crist Linklaters and Paines Cardales Allen and Overy Berwin Leighten
Theodore Goddard
Freshfields
Titmuss Sziner and West Edge Elliss. Hatwil & Person Blyth, Dutton and Hallouse' Hallwell Landau Evershed and Tomkinson Wedlako Beli Jaques and Lewis Wragge Withers Osborne Clark Simmons and Simmons Stephenson Harwood Stallard Cameron Markby Lovell White and King Coward Chance McKenna S. J. Berwin Dundag and Wilson Durrant Piesse McGrigor Donald

129 Others

Over the **Counter Market**

Two main organisations are

OTC shares.

Granville & Co, Nasdim's founder member, does operate an over the counter market, but this is conducted only on a matched bargain basis, pairing buyers with sellers. Of the larger full market makers, who act in the same way as Stock Exchange johbers by holding their own lines of stock end taking profits on the spread between buying and selling prices, more at the moment belong to the British Institute of Dealers in Securities (Bids).

Bids inclodes the largest OTC market maker, Havard Securi-ties, the flamboyant chairman of which, Mr Tom Wilmot, claims Britoil and British Telecom.

Both organisations have rule

books which cover the liquidity market makers must maintain; market maters must maintam; the listing details that must be published before a company's shares may be traded; and the dealing arrangements and compensation funds necessary to protect private investors against insider dealing or the collapse of a market making company. Much remains to be done, how-ever, in the field of regulation, for the OTC markets. for the OTC market's reputation still leaves much to be desired.

Some dealers are in fact members of both the rival organisations, so some attempt at a merger may be possible. Whether Nasdim or Bids

market too expensive an option for companies wanting to raise equity finance.

"The USM has been a great success but it has failed in one of its original objectives, that of providing start-up equity for companies—venture equity capital," said Mr John Cucksey of accountants Robson Rhodes.
"This is a gap OTC markets can fill."

The cost conscious competitor

GEORGE GRAHAM

Haziewood

Kidsons

Others

Jones and Partners

Lovewell Blake

Reads Rothman Pantall

Casson Beckman

THE OVER the counier market (OTC) has not traditionally suffered from an excess of regula tion, but there is now a queue of candidates for the task of laying down the law to the amorphous group of deslers who trade shares outside the Stock Exchange.

vying for the attention of the Securities and Investment Board, which will have the power to recognise them as selfregulatory organisations or as investment exchanges under the new Financial Services bill now

The first, and in most senses the establishment candidate, is the National Association of Securities Dealers and Investment Managers (Nasdim), It has built up a large member-ship hy virtue of being recognised as a self-regulatory organisation under the old Preven-tion of Fraud (Investments) are insurance brokers and investment advisers. Few Nasdim members are actively engaged in making markets in OTC shares.

of Dealers in Securities (Bids)

to carry out over 2,500 bargains a week in 85 OTC stocks, as well as in selected Stock Exchange listed shares such as

Mr Wilmot says that Nasdim members simply do not have the experience of market making to run an investment exchange effectively, or to regu-late OTC market makers.

eventually receives the Securities and Investment Board's seal of approval, their concern will be to provide an adequate level of regulation without making the over the countermarket too events.

The gap in costs between the OTC and the USM may often not be very large, but accountants Spicer and Pegler estimated last year that 55 per cent of OTC new issues cost less

The concern will be to provide an adequate level of regulation without making the over the counter market too expensive an

option for companies wanting to raise equity finance.

than £100,000, compared to an that the term "unlisted" has average of £130,000 to £150,000 unfortunate compotations with on the USM in the same period. Its American customers, where-The costs varied however, from as the OTC market is widely as little as £5,000 to over recognised in the US through

Fees will, of course, vary with the size of the flotation, and in some cases on the OTC the proportion of funds raised paid out to sponsors and advisers can be exorbitant. One recent floation with an elaborate prospectus, for example, had expenses that amounted to 9 per cent of the maximum it sought to raise, and a whacking 33 per cent if only the minimum sub-

scription was raised. note Ilius as fees to the sponsoring market maker, although companies coming to the USM will also face annual costs in the form of Stock Exchange fees and extra paperwork.

me companies will find particular advantages in choosing the OTC rather than the USM. One group, for example, finds

the success of the National Association of Securities Dealers Automated Quotation system, where stock in over 4,000 companies can be sold

electronically. Others prefer the Granville matched bargain market, where potentially hostile shareholders are screened out, and the price volatility that can come from active trading is precluded.

for choosing the OTC in the been the Bosiness Expansion Scheme. The terms of the scheme, which gives tax relief to investors in companies carry-ing on qualifying trades, debar any companies whose shares are listed—and listed, in this conlext, includes the USM but not the OTC.

Many of the companies that

have raised money under the Business Expansion Scheme have made arrangements for their spensors to make a market in their shares.

Memery Crystal Richards Butler

65 Others

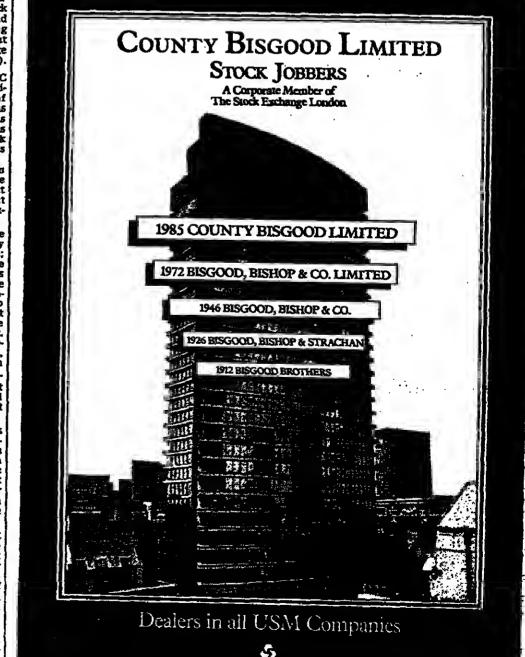
BES investors have to hold on to their shares for at least five years if they are to retain tax relief on their investments. so these arrangements are for the most part hypothetical.

But this year the first com-panies which raised money under the Business Start-up Scheme—the BES's predecessor -will reach their fifth anniversary. From 1968, when the much greater numbers of BES companies begin to pass their five year marks. OTC dealers expect a flood of shares coming

onto the market. Some leading participants in the BES, including Granville, which has sponsored a number of issues and has run a fund investing under the terms of the BES, and Electra, which manages several BES funds, plan a third tier market specifically designed to allow BES investors to realise the value of their shares. As these smaller companies

arrive on the equity markets The most significant reason for the first time, some partici-or choosing the OTC in the pants believe that the "Big Exchange dealing arrangements and minimum commissions will mean that all but a handful of major stocks will in effect move down onto the same sort of irregular telephone market now known as the OTC. But before that happens, the OTC must lose its hucket shop

Ü





In our view, there's far more to successful stock picking than simply analysing financial data and plotting economic trends. At the end of the day, investment decisions have to be based on personal judgement.

Which is why our investment managers rely on instinct and insight as well as information technology.

Every share we invest in is selected on its individual merits, as the result of an intensive investigation.

When it comes to recognising companies with exceptional potential, including those quoted on the USM, we believe we're among the best around.

Brave words, but backed by the performance of the funds under our management, whether they are pension funds or investment trusts. (The Throgmorton Trust, The New Throgmorton Trust (1983), and The Throgmorton Secured Growth Trust). Someone once described our approach to

investment as "conservative aggression". Ir's a description we don't argue with. So shouldn't we be talking?

For more information about our investment management services, please contact Paul Loach. Throgmorton Investment Management Ltd., Royal London House, 22-25 Finsbury Square, London EC2A 1DS. Telephone 01-628 9022.

Infogmorton Investment Management

Stock picking for greater performance

Member of NASDIM, Licensed Dealer in Securities.

